AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

DATE: June 17, 1998

TO: Air Pollution Control Board

SUBJECT: Adopt Amendments to Rule 40 - Permit and Other Fees
(District: All)

SUMMARY:

Overview

State law authorizes air pollution control districts to adopt a schedule of fees for permitted sources to recover the cost of district programs related to permitted stationary sources not otherwise funded. These proposed changes to Rule 40 updating labor-based fees culminate two year's work that began in 1995. At that time, labor-based fees had not been updated since FY 1990-91, the fee methodology had not been updated to address programmatic changes since 1987 and revenues were well below program costs.

On March 7, 1995, the Board adopted the Air Pollution Control District Fee Reduction Act (Supervisors Jacob and Slater, 3/7/95, APCB #1) authorizing the use of Vehicle Registration funds for allowable District activities and reducing emissions fees charged to businesses. The board also directed the District to update the labor-based fees the following year.

Early in 1997, it was recognized that the recently amended state law, limiting each fee to no more than an annual 15% increase, would require the District to abandon its unique fee-for-service system. Accordingly, a change in state law was supported by business customers and the Board (1/21/97, Board of Supervisors #29) to maintain the fee-for-service methodology. The new law, AB1310, was adopted in the fall of 1997 and became effective January 1, 1998. It provides that, in 1998, the San Diego District may increase individual fees to reflect actual costs as determined by fee-for-service calculations. Beginning January 1999, individual fees may increase more than 15% per year so long as the aggregate increased fee revenue does not exceed 15% and the District continues to determine fees using a cost-based system. The cost-based fee system must include maintaining a minimum of 120 separate equipment and process fee categories, tracking labor in increments of 0.5 hours or less, and using this detailed labor tracking to determine fees.

Though the Board had directed the District to update the labor-based fees in 1996, due to the complex fee structure, large database, effects of recent state law and limited review period, fee changes were deferred until FY 1997-98 and an informal group of business customers was established to address fees and review associated data. Fee revisions adopted for FY 1997-98 (5/21/97, APCB #4) reflected collaboration with this fee review group. The purpose was to align fee schedules with actual costs to the extent allowed by law at the time. The result was to fully reduce individual fees reflecting actual costs, but limited individual fee increases to 15%. Accordingly, these revisions did not reflect full-cost recovery. Revenue increases were only 0.3% ($15,150), excluding the one-time-only Southern California Ozone study fee. This created a potential $600,000 revenue shortfall in FY 1997-98. The shortfall was addressed by implementing severe short-term cost containment measures including postponing infrastructure and equipment acquisitions and maintaining vacancies for an extended period.

To minimize fee increases necessary to reflect full-cost recovery, an aggressive cost containment effort was pursued. As a part of this, meetings were held with businesses and associations to determine programmatic and specific cost issues to be addressed. The resulting cost containment plan and response to business issues is shown in Attachment VI.

Cost containment efforts have resulted in a proposed FY 1998-99 budget that is $1,419,090 (11.6%) less than FY 1996-97, reflecting staffing reductions of 15.5 staff years (9%) over the two fiscal years. The FY 1997-98 budget was reduced $937,972 from FY 1996-97 (7.7%), with 4.0 (3%) fewer staff years. The proposed FY 1998-99 budget reduces another $481,118 (4.3%) and an additional 11.5 staff years (6.9%). To do this, actual FY 1998-99 reductions of $930,300 were required due to budget allowances for salary and benefit increases.

On June 27, 1997, the Board established a Fee Review Group of business customers to evaluate the current fee methodology and make recommendations for FY 1998-99, as appropriate. Business customers who had attended any fee meetings in FY 1996-97 or the FY 1997-98 Rule 40 Workshop were invited to participate. Representatives from the automotive refinishing industry, biotech industry, dry cleaners association and service stations were also asked to participate or recommend someone from their industry to do so. Representatives from participating large and small businesses are listed in Attachment IV.

The Fee Review Group considered fee issues and decided to focus on updating and improving the fee methodology to take into account District programs, which have changed dramatically since the current protocol was adopted in 1987 and used thereafter. They reached consensus on recommendations revising the current fee methodology (Attachment V).

The most significant recommendation changes how the non-direct costs of certain programs and activities are recovered. Examples of non-direct costs include supervision, training, business assistance, and business-related invoicing, accounts management and related data management. The Fee Review Group recommends using a single hourly labor rate for each job classification to calculate all stationary source fees, regardless of the program the work is being done for. The 1987 fee protocol recovered these costs through permit application and renewal fees using appropriate multipliers. The new procedure tends to shift indirect cost

recovery from application and renewal fees to emissions and other program fees. For example, the new methodology increases the emissions fee by 19%, from $69 to $82, while 135 (92%) of 147 renewal fee schedules decrease an average of $40 compared to using the 1987 protocol. The other significant factor is the recent change in state law allowing certain fee schedules, formerly limited to a 15% increase, to be increased to reflect full-cost recovery.

Overall, compared to FY 1997-98 budget, proposed FY 1998-99 fee revenue will increase by $275,250 (5%), from $5,794,150 to $6,069,400. Compared to projected actual FY 1997-98 fee revenue, the increase is $391,300 (6.9%). The increase is primarily due to FY 1997-98 fees being artificially constrained by state law. Clearly, cost reductions of $1,419,090 (11.6%) over the past two fiscal years have substantially minimized necessary fee increases. A comparison to actual FY 1990-91 fee revenue, the last comprehensive unconstrained fee revision, is also relevant. The FY 1998-99 fee revenue increased a total of $322,016, for an average increase of $40,252 (0.7%) per year.

Individual fixed renewal fee schedules are increasing an average of $81, ranging from a $289 decrease to a $2,656 increase. Fifty-six (38%) of the renewal fee schedules decrease an average of $46 and 91 (62%) increase an average of $159. The largest increase, $2,656, is for surface coating application stations requiring control equipment. The increase is the result of a substantial implementation program based on new District rules required by the most recent revisions to federal and state Clean Air Acts. The full cost for this fee schedule would have been $4,830 in FY 1997-98, but due to state law the fee was constrained to $793. The proposed full-cost fee for FY 1998-99 is $3,449. District regulations require separate fee schedules for facilities with costs that would increase fees for other facilities with similar equipment by more than 10%. Accordingly, eight special one-year-only renewal fee schedules will be established for four companies whose costs far exceeded the average for the type of equipment. These costs were incurred for a variety of reasons including facility-specific source testing protocols; providing assistance and oversight to bring out-of-compliance facilities back into compliance and providing requested assistance in modifying a facility's processes to reduce emissions and modify permit conditions. In addition, five new one-year-only renewal fees have been added at the request of the mineral products industry to recover past costs associated with evaluating new emissions factors for mineral products operations and integrating them into permitting and other programs.

Application fixed fee schedules are increasing an average of $247, ranging from a $499 decrease (49%) to a $1,348 increase (81%). Out of 194 application fees, 38 (20%) are fixed. Ten of these (26%) will decrease and 27 (71%) will increase, and one is changing to Time and Materials Fee Schedule due to lack of recent data. Seven new fixed fees will be established. Five are new fee categories (Non-emergency, Non-cogeneration I/C Engines [34D], Phase II Vapor Recovery System Facilities w/Bootless Nozzles [26F], and three Adhesive Materials Applications Operations [27(4)u, v, and w]), and two are changing from time and materials to fixed fees (On-site Soil Remediation Equipment [52B], and Non-operational Status Equipment [49A]).

The single hourly rate methodology will increase the Emissions Fee from $69 per ton to $82 (19%). The current $69 rate is constrained by state law and would have been $85 per ton in FY 1997-98 if at full cost.

A public workshop to discuss the proposed changes to Rule 40 was held on May 1, 1998. The workshop report is Attachment III.

Recommendations

AIR POLLUTION CONTROL OFFICER:

1. Adopt the recommendations (Attachment V) of the Board authorized Fee Review Group including:

   a. using a single labor rate for each job classification across all programs instead of the program-related multiplier, and

   b. adjusting fees annually as part of the budget process.

2. Make appropriate findings, as required by Section 40727 of the Health and Safety Code, and adopt the Resolution amending Rule 40-Permit and Other Fees (Attachment II). This would amend Rule 40 to more closely reflect District costs, including: (a) revising permit application and renewal fees; (b) revising the Air Contaminant Emissions Fee; (c) revising the Air Toxic Hot Spots fee; (d) revising source test fees; (e) implementing other changes resulting from the Fee Review Group and workshop.

Fiscal Impact

Revenues from the proposed fees are reflected in the FY 1998-99 proposed District budget. Fees will recover 76% of the $8,101,000 stationary source program cost. The recommendations will recover the full cost of the Air Pollution Control program through a combination of fees, $6,069,400 (60%), federal and state grant revenue, $1,875,000 (17%), vehicle registration revenue, $2,489,100 (23%), and miscellaneous revenue (<1%). There is no General Fund impact.

Business Impact Statement

Total fee revenue paid by businesses will increase $275,250 (5%). Application, renewal and emissions fee revenue will increase by $447,550 (9%), including $55,000 from a new application filing fee and $276,900 from a new permit processing fee recovering invoicing, accounting, data management, and permit system maintenance costs, as recommended by the Fee Review Group. Toxic Hot Spot fee revenue will decrease by $172,300 (59%), because many facilities are no longer subject to the program and direct program costs have decreased.

Out of 147 fixed renewal fees, 91 (62%) are increasing an average of $159, and 56 (38%) are decreasing an average of $46. Sixty-five (44%) fee schedules are increasing more than 20%,

but of those 25 (38%) are less than the full cost in FY 1997-98. It should be noted that using the recommended Fee Review Group methodology, 135 (92%) fee schedules are decreasing an average of $40 when compared to using the current methodology.

Although Air Toxic Hot Spots fee revenue is decreasing $172,300 as a result of direct cost reductions from process improvements and a reduction in the number of facilities subject to the program (due to low health risks), individual fees are increasing because of the single hourly rate. Fee increases range from $252 (7.1%) for 60 facilities to no change for over 1,000 facilities such as gas stations and dry cleaners that are evaluated on an industry-wide basis.

Revenue from emissions fees will also increase because of using the single hourly rate for calculating the cost of Emissions-Fee-funded activities (Emissions Inventory, Rule Development, Complaints not related to permits, Hearing Board, Stationary Source Planning, and Application Processing). The Emissions Fee rate is increasing from $69 to $82 per ton (19%). However, the new emissions fee rate is 29.4% below FY 1994-95 levels when the Fee Reduction Act of 1995 decreased emissions fees from $116 to $62 by allocating vehicle registration funds for allowable District costs such as the monitoring network, planning and motor-vehicle-related program costs. The proposed emissions fee rate is $3 (4%) less than the full-cost, unconstrained FY 1997-98 rate.

Alternatives

Do not adopt the proposed amendments to Rule 40-Permit and Other Fees. This is not recommended because the changes align District fees with the cost of services. They also reflect the many hours invested by the Fee Review Group (small and large business representatives) and the resulting recommendations. Not adopting the fees would result in continued fee inequities to businesses because costs have changed and fees would not reflect these changes. It would also create a revenue shortfall because existing fees do not recover the full cost of services and the District would be operating at a deficit.

Advisory Statement

The Air Pollution Control District Advisory Committee considered proposed Rule 40 amendments at its May 27, 1998, meeting and recommended adoption.

BACKGROUND

Attachment I contains Background Information.

SUBJECT: Adopt Amendments to Rule 40 - Permit and Other Fees

Additional Information

Attachment II contains the Resolution and Change Copy amending Rule 40.

Attachment III contains the workshop report of the proposed changes to Rule 40.

Attachment IV contains the Fee Review Group participant's list.

Attachment V contains the Fee Review Group's recommendations.

Attachment VI contains District responses to action items related to cost containment efforts.

Concurrence:

LAWRENCE B. PRIOR III
Chief Administrative Officer

Respectfully submitted,

BY: ROBERT R. COPPER
Deputy Chief Administrative Officer

R. J. SOMMERVILLE
Air Pollution Control Officer

AIR POLLUTION CONTROL BOARD
AGENDA ITEM INFORMATION SHEET

SUBJECT: Adopt Amendments to Rule 40 - Permit and Other Fees

CONCURRENCES

D 6/1/98

COUNTY COUNSEL APPROVAL:	Approval of Form	[x] Yes [ ] N/A
Type of Form:	[ ] Standard Form [ ] Ordinance	[x] Resolution [ ] Contract
Review Board Letter Only	[ ] Yes	[x] No
CHIEF FINANCIAL OFFICER/AUDITOR REVIEW:		[x] Yes [ ] N/A
Requires Four Votes:		[ ] Yes [x] No
CHIEF INFORMATION OFFICER:		[ ] Yes [x] N/A
DEPARTMENT OF HUMAN RESOURCES:		[ ] Yes [x] N/A
CONTRACT REVIEW PANEL:		[ ] Yes [x] N/A

Other Concurrences: _____

BUSINESS IMPACT STATEMENT: [x] Yes [ ] N/A

PREVIOUS RELEVANT BOARD ACTION:
5/21/97 (APCB #4)
1/21/97 (BS #1)
7/23/96 (APCB #1)
6/27/95 (APCB #4)
3/7/95 (APCB #1)
3/24/87 (APCB #1)

BOARD POLICIES APPLICABLE: Policy B-29, Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery.

ORIGINATING DEPARTMENT: Air Pollution Control District County of San Diego

CONTACT PERSON: Linda Fox, Administrative Services Manager (S50) 694-3306 MS:0-176

R. J. SOMMERVILLE
DEPARTMENT AUTHORIZED REPRESENTATIVE

JUNE 17, 1998
MEETING DATE

ATTACHMENT I

BACKGROUND INFORMATION

On March 7, 1995, the Board adopted the Air Pollution Control District Fee Reduction Act (Supervisors Jacob and Slater, 3/7/95, APCB #1) authorizing the use of Vehicle Registration funds for allowable District activities and reducing emissions fees charged to businesses. The board also directed the District to update the labor-based fees the following year.

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Though the Board had directed the District to update the labor-based fees in 1996, due to the complex fee structure, large database, effects of recent state law and limited review period, fee changes were deferred until FY 1997-98 and an informal group of business customers was established to address fees and review associated data. Fee revisions adopted for FY 1997-98 (5/21/97, APCB #4) reflected collaboration with this fee review group. The purpose was to align fee schedules with actual costs to the extent allowed by law at the time. The result was to fully reduce individual fees reflecting actual costs, but limited individual fee increases to 15%. Accordingly, these revisions did not reflect full-cost recovery. Revenue increases were only 0.3% ($15,150), excluding the one-time-only Southern California Ozone study fee. This created a potential $600,000 revenue shortfall in FY 1997-98. The shortfall was addressed by implementing severe short-term cost containment measures including postponing infrastructure and equipment acquisitions and maintaining vacancies for an extended period.

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and an additional 11.5 staff years (6.9%). To do this, actual FY 1998-99 reductions of $930,300 were required due to budget allowances for salary and benefit increases.

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The most significant recommendation changes how the non-direct costs of certain programs and activities are recovered. Examples of non-direct costs include supervision, training, business assistance, and business-related invoicing, accounts management and related data management. The Fee Review Group recommends using a single hourly labor rate for each job classification to calculate all stationary source fees, regardless of the program the work is being done for. The 1987 fee protocol recovered these costs through permit application and renewal fees using appropriate multipliers. The new procedure tends to shift indirect cost recovery from application and renewal fees to emissions and other program fees. For example, the new methodology increases the emissions fee by 19%, from $69 to $82, while 135 (92%) of 147 renewal fee schedules decrease an average of $40 compared to using the 1987 protocol. The other significant factor is the recent change in state law allowing certain fee schedules, formerly limited to a 15% increase, to be increased to reflect full-cost recovery.

Overall, compared to FY 1997-98 budget, proposed FY 1998-99 fee revenue will increase by $275,250 (5%), from $5,794,150 to $6,069,400. Compared to projected actual FY 1997-98 fee revenue, the increase is $391,300 (6.9%). The increase is primarily due to FY 1997-98 fees being artificially constrained by state law. Clearly, cost reductions of $1,419,090 (11.6%) over the past two fiscal years have substantially minimized necessary fee increases. A comparison to actual FY 1990-91 fee revenue, the last comprehensive unconstrained fee revision, is also relevant. The FY 1998-99 fee revenue increased a total of $322,016, for an average increase of $40,252 (0.7%) per year.

This fee proposal completes the planned two-year labor-based fee evaluation process, bringing District fees to full-cost recovery, as required by Board Policy B-29. The proposed FY 1998-99 fees will be aligned with the cost of services being provided and are consistent with recent changes to state law.

There are four basic types of District fees: an initial application fee (Authority to Construct and Permit to Operate), a permit renewal fee (annual), an emissions testing fee, and a fee based on facility emissions. There are also Air Toxic Hot Spots program, Asbestos Notification and other miscellaneous fees.

ATTACHMENT I: Background Information

Permit Renewal Fees

Permit renewal fees recover costs related to permit inspections and permit system maintenance. Fixed permit renewal fees are based on the average renewal hours for each specific type of equipment times the Rule 40, Fee Schedule 94 labor rates. Average renewal hours for each fee schedule are based on data for the last five years. Over 99% of permits and 77% of fee schedules have fixed renewal fees. Less than one percent (<1%) of permitted equipment is charged fees based on time and materials (T&M).

Individual fixed renewal fee schedules are increasing an average of $81, ranging from a $289 decrease to a $2,656 increase. Fifty-six (38%) of the renewal fee schedules decrease an average of $46 and 91 (62%) increase an average of $159. The largest increase, $2,656, is for surface coating application stations requiring control equipment. The increase is the result of a substantial implementation program based on new District rules required by the most recent revisions to federal and state Clean Air Acts. The full cost for this fee schedule would have been $4,830 in FY 1997-98, but due to state law the fee was constrained to $793. The proposed full-cost fee for FY 1998-99 is $3,449. District regulations require separate fee schedules for facilities with costs that would increase fees for other facilities with similar equipment by more than 10%. Accordingly, eight special one-year-only renewal fee schedules will be established for four companies whose costs far exceeded the average for the type of equipment. These costs were incurred for a variety of reasons including facility-specific source testing protocols; providing assistance and oversight to bring out-of-compliance facilities back into compliance and providing requested assistance in modifying a facility's processes to reduce emissions and modify permit conditions. In addition, five new one-year-only renewal fees have been added at the request of the mineral products industry, to recover past costs associated with evaluating new emissions factors for mineral products operations and integrating them into permitting and other programs.

Application for Authority to Construct or Permit to Operate Fees

A fixed fee is established when application-processing costs are well established by labor tracking data. Fixed fees are based on the average hours to complete the evaluation of an initial permit application (or modification) for the type of equipment being evaluated. Thirty-eight (20%) of 194 application fee schedules are fixed fees.

Application fixed fee schedules are increasing an average of $247, ranging from a $499 decrease (49%) to a $1,348 increase (81%). Of the 38 existing fixed fee schedules, ten (26%) will decrease and 27 (71%) will increase, and one is changing to T&M due to lack of recent data. Seven new fixed fees will be established. Five are new equipment or process categories (Non-emergency, Non-cogeneration I/C Engines [34D], Phase II Vapor Recovery System Facilities w/Bootless Nozzles [26F], and three Adhesive Materials Applications Operations [(27(4) u, v, and w]), and two are changing from time and materials to fixed fees (On-site Soil Remediation Equipment [52B] and Non-operational Status Equipment [49A]).

Where costs vary widely or there is little or no current history for establishing a fixed cost, application fees are based on estimated time and materials costs reflected in Fee Schedule 94. Most application fee schedules, 156 (80%), are based on Time and Materials hourly labor rates.

A single hourly rate is proposed for each classification in Fee Schedule 94 in FY 1998-99, as recommended by the Fee Review Group. In FY 1997-98, there were three Time and Materials hourly rates for each classification - one for applications (including the application multiplier), one for renewals (including the permit-related multiplier) and one for all other programs (no multiplier). The new methodology recovers non-direct costs across all division activities through the single hourly labor rate.

Some hourly rates are increasing from FY 1997-98 rates and others are decreasing. However, the FY 1997-98 rates were constrained at levels below full-cost recovery due to the state law limiting increases to 15%. All proposed FY 1998-99 rates are lower than the full-cost hourly rates calculated (but not used) for FY 1997-98. Full-cost rates decreased due to reduced costs from streamlining, process improvements, automation and organizational modifications.

Emissions Fee

The Emissions Fee is based on total basin-wide permitted stationary source emissions, as reflected in the most recent approved inventory. The full-cost emissions fee rate for FY 1997-98 was $85 per ton, but was constrained by state law to $69 per ton. Because the Fee Review Group recommended changes to the methodology for calculating emissions fee program costs, the amount proposed for FY 1998-99 is $82 per ton, a 19% increase from the FY 1997-98 emission rate. However, the proposed emissions fee rate is 29.4% below FY 1994-95 levels when the Fee Reduction Act of 1995 decreased emissions fees from $116 to $62 by allocating vehicle registration funds for allowable District costs such as the monitoring network, planning and motor-vehicle-related program costs. The proposed emissions fee rate is $3 (3.5%) less than the full-cost, unconstrained FY 1997-98 rate.

New Fee Schedules

Rule 40 requires that when the activities of one permittee or group of permittees would cause an increase of at least ten percent in a specific fee schedule, the cost may be deleted from the cost data used to develop the fee and a separate fee schedule established for that business or equipment or process type based on the data. This rule protects small businesses from potentially-large fee increases attributable to one permittee or specific type of equipment or process. New fee schedules being proposed under this rule include Phase II Bootless or Mini-booted Nozzle Vacuum Assist Systems Facilities [26F], Adhesive Materials Applications Operations [27(2)(u, v, and w)]; and Offsite Soil Remediation Equipment [52C].

Eight new one-year-only fees are being proposed for four companies who fit this rule except that the excess costs being recovered are not expected to continue. These companies will also pay the normal permit renewal fee in FY 1998-99 and ongoing. The affected businesses have been notified and understand the basis for this one-time fee. In addition, five new one-year-only fees have been added at the request of the mineral products industry, to recover past costs associated with evaluating new emissions factors for mineral products operations and integrating them into permitting and other programs.

For consistency, 12 equipment registration fees adopted in Rules 12 and 12.1 are also being added to Rule 40.

Source (Emissions) Testing Fees

Affected businesses have indicated certain emission testing fees are not competitive with private industry. A benchmarking study conducted in the fall of 1997 indicates District costs are at the midpoint of the range of fees charged by private contractors. Continuous process improvements and automation reduced staffing and kept fees down. Specific fee schedule changes include: 92(a), Particulate Matter Source Test, reduced from $3,703 to $2,929; 92(f), Carbon Monoxide Source Test with a Continuous Analyzer, reduced from $1,776 to $1,625; and 92(g), Oxides of Nitrogen Source Test with a Continuous Analyzer, reduced from $1,480 to $1,354.

Air Toxic Hot Spots Fees

Air Toxic Hot Spots Fees [H&SC §44300] are paid by businesses based on facility emissions and potential for public health impact from emissions of toxic air contaminants. Fees are developed to recover District program costs for the previous fiscal year.

Although Air Toxic Hot Spots fee revenue is decreasing $172,300 as a result of direct cost reductions from process improvements and a reduction in the number of facilities subject to the program (due to low health risks), individual fees are increasing because of the single hourly rate. Fee increases range from $252 (7.1%) for 60 facilities to no change for over 1,000 facilities such as gas stations and dry cleaners that are evaluated under the program on an industry-wide basis. Facilities subject to this law also pay a fee established by the legislature to recover state program costs.

No. 98-155 (APCB 3) RESOLUTION

WEDNESDAY, JUNE 17, 1998

Re Rules and Regulations of the)
Air Pollution Control District)
of San Diego County . . . . .)

RESOLUTION AMENDING RULE 40 OF REGULATION III OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT

On motion of Member SLATER, seconded by Member JACOB the following resolution is adopted:

WHEREAS, the San Diego County Air Pollution Control Board, pursuant to Section 40702 of the Health and Safety Code, adopted Rules and Regulations of the Air Pollution Control District of San Diego County; and

WHEREAS, said Board now desires to amend said Rules and Regulations; and

WHEREAS, notice has been given and a public hearing has been had relating to the amendment of said Rules and Regulations pursuant to Section 40725 of the Health and Safety Code.

NOW THEREFORE IT IS RESOLVED AND ORDERED by the San Diego County Air Pollution Control Board that the Rules and Regulations of the Air Pollution Control District of San Diego County be and hereby are amended as follows:

Amendments to Rule 40 are to read as follows:

RULE 40. PERMIT AND OTHER FEES

(a) AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE FEES

Every applicant for an Authority to Construct and/or a Permit to Operate or a Certificate of Registration for any article, machine, equipment or other contrivance shall pay an evaluation fee for each permit unit in the amount prescribed in Section (h), except as provided in Subsection (1) below. No application for Authority to Construct or Permit to Operate or Certificate of Registration shall be considered received unless accompanied with the appropriate fee. If a permit applicant certifies to the Air Pollution Control Officer's satisfaction through declaration that it is unable to pay either the full fixed fee for fixed fee applications or the estimated application and first year renewal costs for time and material applications, the District may authorize the applicant to divide the cost into two payments with the second payment due not later than 90 days after filing of the Application for Authority to Construct or Permit to Operate or Certificate of Registration. The applicant will be required to pay any additional administrative costs resulting from this authorization. A $75 non-refundable base fee will be charged for each new application for an Authority to Construct, Permit to Operate or a Certificate of Registration.

For the purpose of this rule, T+M means time and material; T+RN means time and material plus renewal; the terms "location" and "facility" mean the same as "stationary source" defined in Rule 2 unless otherwise defined by an applicable rule or regulation.

Other charges or refunds, if applicable, shall be as prescribed in Subsections (1) through (9) of this Section (a).

(1) Reduced Fees for Similar Fee Units at a Single Location

Every applicant for Authorities to Construct and/or Permits to Operate for a series of similar fee units submitted concurrently and located at a single location shall pay the evaluation fee as prescribed in Section (h) for the first fee unit. For each additional unit, the fee shall be based on the actual cost incurred by the District to evaluate and act on the application(s), to be determined by using the labor rates in Schedule 94, and the annual renewal fee listed in Section (h). The actual cost for each unit, including the annual renewal fee, shall not exceed the fee found in Column (1) of the appropriate fee schedule in Section (h) and any additional fees specified by this rule. This subsection shall only apply to the extent that each unit will be operated independently, the evaluation for an Authority to Construct for the first unit can be applied to the additional units because of similarity in design and operation and each unit can be evaluated and inspected for a Permit to Operate at the same time. The provisions of this subsection shall not apply to Fee Schedules 3, 26 and 92.

(2) Review for Compliance with Rules 20.1 through 20.10, Rules 26.0 through 26.10, Regulation X, Regulation XI, Regulation XII, federal National Emission Standards for Hazardous Air Pollutants (NESHAPs), and state Air Toxic Control Measures (ATCMs).

The actual cost incurred by the Air Pollution Control District to determine compliance with Rules 20.1 through 20.10, Rules 26.0 through 26.10, Regulation X, Regulation XI or Regulation XII, federal NESHAPs, and state ATCMs shall be paid by the applicant, in addition to other applicable fees prescribed in this rule, if the District evaluation shows that such a determination is required. When notified that such a determination is required, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the determination. The cost shall be determined using the labor rates specified in Schedule 94.

(3) Review for Change of Location

All applications for change of location of an existing permitted article, machine, equipment or other contrivance will be assessed the actual cost incurred by the District to evaluate the change of location, not to exceed the fee found in Column (1) of the appropriate fee schedule less the renewal fee in column (2) previously paid by the applicant. The actual cost incurred shall be determined using the labor rates specified in Schedule 94. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

(4) Review for Compliance with Rule 51

The actual cost incurred by the Air Pollution Control District to determine compliance with Rule 51 shall be paid by the applicant in addition to other applicable fees prescribed in this rule, if the basic evaluation shows that such a determination is required. When notified that such a determination is required, the applicant shall deposit with the Air Pollution Control District the amount estimated by the District to cover the cost of the determination. The cost shall be determined using the labor rates specified in Schedule 94.

(5) Amendments to an Authority to Construct Application

In accordance with Regulation II, an applicant may request written authorization to alter the proposed design and/or operational characteristics of a specified permit unit before work has begun on the Permit to Operate evaluation. The applicant shall pay the actual cost

incurred by the District to evaluate the impact of the alteration not to exceed the value found in Column (1) of the applicable schedule of Section (h). When an additional fee is required, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the additional evaluation. The estimate and the actual cost incurred by the District shall be determined using the labor rates specified in Schedule 94. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

A $37 processing and handling fee will be charged for each application pursuant to this Subsection (a)(5).

(6) Alteration, Operational Change or Replacement Involving an Existing Permit Unit

Every applicant for an Authority to Construct and/or Permit to Operate involving the alteration of, an addition to, or a change in the permit conditions of any existing article, machine, equipment or other contrivance for which a Permit to Operate has been issued, shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the evaluation. The estimate and the actual cost shall be determined by using the labor rates specified in Schedule 94, not to exceed the value found in Column (1) of the applicable schedule of Section (h).

Replacement of non-identical permit units subject to fixed fees shall be charged the initial fee in Column (1) less Column (2) of the applicable schedule in Section (h), if there is a current permit on the equipment to be replaced. If the non-identical replacement involves an increase in renewal fees due to increased quantity or size, the applicant shall pay the incremental increase in the renewal fee. The increase shall be prorated from the effective date of the revised Permit to Operate until the renewal date established for the original equipment. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

A $37 processing and handling fee will be charged for each application pursuant to this Subsection (a)(6).

(7) Reinspection Fees

If, during an inspection for a Permit to Operate, a permit unit cannot be evaluated, due to circumstances beyond the control of the Air Pollution Control District, the applicant shall pay the actual cost of a reinspection. The cost shall be determined using the labor rates specified in Schedule 94.

(8) Refunds, Forfeitures and Insufficient Payment of Fees

If an applicant withdraws an application before an engineering evaluation has been started, a full refund, less the $75 base fee, shall be made to the applicant upon request.

If an Authority to Construct is denied or cancelled, or if an applicant withdraws an application, the Air Pollution Control District shall refund to the applicant, upon request, so much of the balance remaining of the Authority to Construct and Permit to Operate application fees paid as are in excess of the actual costs and time and materials charges incurred by the Air Pollution Control District prior to the denial, cancellation or withdrawal of the application. The actual costs and time and materials charges incurred shall be based upon the labor rates specified in Schedule 94.

A full refund of fees paid in conjunction with an application for an Authority to Construct and/or Permit to Operate shall be made to the applicant if the article, machine, equip-

ment or other contrivance stated on the application does not come within the purview of state law or these Rules and Regulations.

If the actual cost incurred by the Air Pollution Control District in Subsections (a)(2), (4), (5), (6) and (7) and the applicable T+M portions of Section (h) is less than the amount deposited, the difference shall be refundable to the applicant. If any deposit is insufficient to pay all actual costs, the applicant shall pay an amount deemed sufficient by the Air Pollution Control Officer to complete the work in progress. If the applicant fails or refuses to pay such amount upon demand, the Air Pollution Control District may recover the same by action in any court of competent jurisdiction. Until such amount is paid in full, the Air Pollution Control District shall not further process the Authority to Construct application unless the Air Pollution Control Officer determines that it is in the best interest of all parties concerned to proceed. The Air Pollution Control Officer shall cancel an application when an applicant fails or refuses to pay such amount within 45 days of demand or fails or refuses to pay such amount by the date that Rule 18 requires action be taken on the application, whichever date is sooner.

Where fees were submitted in accordance with Subsection (a)(1) and the applicant is entitled to a refund, the refund for additional units is equal to the annual renewal fee.

An applicant may appeal, directly to the Air Pollution Control Officer, any fee based on actual costs in Subsections (a)(2), (4), (5), (6) and (7) and the applicable T+M portions of Section (h). Such appeal shall be in the form of a letter and shall specifically state the basis of the appeal.

If an applicant has not applied for a refund within six months after notification has been made of eligibility for a refund, all rights to such refund shall be forfeited.

(9) Fee for Failing to Obtain a Permit

When equipment is operated, built, erected, installed, altered or replaced without the owner/operator first obtaining a required Authority to Construct, Permit to Operate or Certificate of Registration, a processing fee shall be charged equal to 150% of the applicable fee set forth in the fee schedules or the applicable fee plus $300, whichever is less. The assessment of such processing fee shall not limit the District's right to pursue any other remedy provided by law. This section shall not apply if equipment was previously exempt under Rule 11 and the exemption status changes, or if a complete application for equipment registration has been submitted, or if a Certificate of Registration has not been issued for pre-registered equipment.

(b) ANNUAL RENEWAL FEES

An annual renewal fee shall be paid in the amount prescribed in Section (h) by any person who is required to apply for annual renewal of a permit or temporary authorization to operate pursuant to Rule 10(h) or Certificate of Registration pursuant to Rules 12 or 12.1. A $32 fee per site and $21 fee per permit shall be paid for processing and handling of each annual renewal of a permit or temporary authorization to operate.

(1) In order to effect a staggered renewal schedule as authorized by Rule 10(h), Permits to Operate or Certificates of Registration may be issued or renewed for periods less than 12 months in increments of one month. When the renewal date is changed the renewal fee shall be prorated.

(2) If a permittee certifies to the Air Pollution Control Officer's satisfaction through declaration that payment in full of permit to operate renewal fees would result in undue financial hardship, the District may negotiate an amended fee payment schedule, provided that the amended schedule includes reimbursing the District for any increased costs of processing the extra payments. Failure to make any payments by any negotiated due date may result in penalties as otherwise authorized in Rule 40 and/or cancellation of the permit.

(3) If the Air Pollution Control Officer finds that the activities of any one company would cause an increase of at least ten percent in any specific fee schedule, the Air Pollution Control Officer may delete the cost incurred as a result of that company from the cost data used to determine the fee schedule. A specific fee schedule for the company shall be developed, in this case, to recover the District cost in connection with that company's activities. The specific fee schedule developed in this case shall be submitted to the Air Pollution Control Board for consideration and adoption.

(4) If the Air Pollution Control Officer determines that a person has under-reported material usage, emissions or other information necessary for emissions inventory, and such under-reporting has led to an air contaminant emissions fee less than what would have been due if correct usage, emissions or other information had been reported, then the person shall pay the difference between the original and corrected air contaminant emissions fee plus a charge equal to 30 percent of the difference. Such charge shall not apply if the permittee demonstrates to the Air Pollution Control Officer's satisfaction that the under-reporting was the result of inadvertent error or omission which the permittee took all reasonable steps to avoid. If the amount due is not paid within 60 days of the due date, a late fee equal to 30 percent of the amount due shall be added, and an additional 10 percent added for each subsequent calendar month or portion thereof. In no case shall the late fee exceed 100 percent of the applicable fees.

(c) TRANSFER OF PERMITS

An applicant for the transfer of a valid, active Permit(s) to Operate or a Certificate of Registration at a single location from one person to another or for inclusion or removal of any person(s) from the Permit(s) to Operate or a Certificate of Registration shall pay a fee of $37, and shall supply proof of entitlement to operate provided no alteration, addition, or change in location has been made to the permit item on the application.

If, after an Authority to Construct has been issued and before a Permit to Operate has been granted, another person is designated to be the permittee, that person shall submit an application for Permit to Operate and pay the refundable portion of the initial application fee as determined from Subsection (a)(8) provided that construction will be made in accordance with the Authority to Construct that was previously issued.

(d) RESERVED

(e) RENEWAL OF AN EXPIRED PERMIT TO OPERATE AND REINSTATEMENT OF A RETIRED PERMIT TO OPERATE

(1) Renewal of an Expired Permit to Operate

An applicant for renewal of a Permit to Operate which has expired because of nonpayment of an annual renewal fee shall pay the applicable annual renewal fee as prescribed in Section (h) plus the following late fees if the permit is renewed more than 30 days after the permit expiration date:

(i) 30 percent of the applicable annual renewal fee, not to exceed $250 beginning the calendar month following the expiration date; and

(ii) 10 percent of the annual renewal fee for each additional calendar month, or portion thereof, until the date the application for renewal is received by the District.

The provisions of this Section (e) are only applicable within the six-month period specified in Rule 10(h) of these Rules and Regulations. Any Permit to Operate not renewed within six months of the date the Permit to Operate expired will be retired.

(2) Reinstatement of a Retired Permit to Operate

An applicant for reinstatement of a retired Permit to Operate may request reinstatement within the first six (6) months of retirement by:

(i) Providing the District with a written request to reinstate the retired Permit to Operate.

(ii) Pay an administrative fee in the amount of $37.

(iii) Pay the prescribed fees as specified in (1) above. In no case shall the late fee exceed 100 percent of the applicable fees.

The applicant shall also pay any relocation, transfer of Permit to Operate, or other fees that may be applicable.

(f) REQUEST FOR A DUPLICATE

A fee of $11 shall be charged for a duplicate of a Permit to Operate or a Certificate of Registration.

(g) NEW OR MODIFIED POWER PLANTS

The Air Pollution Control Officer, pursuant to Section 25538 of the Public Resources Code, shall apply for reimbursement of all costs, including lost fees, incurred in order to comply with the provisions of Rule 20.5, Power Plants. Costs shall be determined in accordance with the applicable provisions of this rule.

(h) EVALUATION FEE SCHEDULES

Pursuant to Sections (a), (b), (c) and/or (h), fees for evaluation of Authority to Construct, Permit(s) to Operate or Certificate of Registration shall be determined from the fee schedules and Section (r), related emissions fee. Column (1) of the fee schedules is the per unit fee for Authority to Construct, Permit to Operate or Certificate of Registration and the first year's District enforcement after equipment operation is authorized by the District; Column (2) is the annual Permit to Operate or Certificate of Registration per unit renewal fee, and is also applicable to any article, machine, equipment or other contrivance operating pursuant to a temporary authorization to operate, based on the effective date of the first temporary authorization to operate, unless an alternative date is agreed to by the applicant and the Air Pollution Control Officer. Pursuant to Section (r), the appropriate air contaminant emissions fee shall be determined for each permitted stationary source. This fee shall be added to and paid concurrent with the Column (1) fees for new permitted stationary sources, and the Column 2 fees for existing permitted stationary sources, and the aggregate of such fees in addition to fees specified in Sections (a) through (g) shall constitute the total fee to be paid for evaluation of Authority to Construct and Permit(s) to Operate.

Where a fee is for equipment not specified in the fee schedules, the fees will be determined on a case-by-case basis as specified in the miscellaneous fee schedule, Schedule 91. Where an initial Authority to Construct and Permit to Operate fee is not specified in Column (1) of the schedules, the fee shall be the sum of the annual per unit renewal fee specified in Column (2) and the actual Authority to Construct and Permit to Operate evaluation cost determined using the labor rates specified in Schedule 94. Where an annual per unit renewal fee is not specified in Column (2) of the schedules, the fee shall be the sum of the cost determined using the labor rates in Schedule 94 plus the air contaminant emissions fee based on Section (r).

(i) RESERVED

(j) TOXIC AIR CONTAMINANTS FEE

The owner or operator of a permitted source which emits toxic air contaminants as identified pursuant to the procedures set forth in Sections 39660, 39661, and 39662 of the Health and Safety Code, shall pay an annual fee to the District to cover the anticipated costs of funding District activities mandated by Section 39666 of the Health and Safety Code. The amount of the fee shall be determined on the basis of Time and Materials (T+M) labor rates in accordance with Schedule 94 of this Rule.

(k) AIR POLLUTION EMERGENCY EPISODE PLAN FEE

The owner or operator of a facility for which a plan or plan update is required pursuant to Regulation VIII of the Rules and Regulations of the Air Pollution Control District shall pay to the District a fee of $142 for the evaluation of each plan or plan update for each facility.

The fees required by this rule shall be due at the time the plan is required pursuant to Regulation VIII of the Rules and Regulations of the Air Pollution Control District. If the appropriate fee is not paid within 60 days of the due date, a late fee equal to 30 percent of the applicable fee shall be added. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month, or portion thereof.

(l) ASBESTOS DEMOLITION OR RENOVATION OPERATION PLAN

The owner or operator of a demolition or renovation operation to which Regulation XI Subpart M (NESHAPs) of the Rules and Regulations of the Air Pollution Control District apply, shall pay to the District a fee of $175 for the evaluation of each required plan (Notice of Intention) to demolish or renovate and $35 for each revision thereof. A fee of $37 shall be paid with each notification for demolition where no asbestos is reported present. The owner/operator of an emergency demolition or renovation as defined in Regulation XI Subpart M, Rule 361.141, shall pay to the District a fee of $250 for the evaluation of each required plan (Notice of Intention) to demolish or renovate.

The fees required by this rule shall be due at the time the asbestos control plan is received pursuant to Regulation XI Subpart M (NESHAPs). Plans or revisions thereof will not be considered received unless accompanied with the required fees.

(m) AIR TOXICS "HOT SPOTS" PROGRAM

The owner or operator of a facility who has been identified by the District as being subject to the requirements of Health and Safety Code Section 44300 et seq. (the Air Toxics "Hot Spots" Information and Assessment Act), shall pay all applicable fees, as specified below, to the District within 60 days of receipt of notice by the District of required fees. Failure to submit the fees

within 60 days of the notice will result in a late fee equal to 30 percent of the applicable fees, not to exceed $250. An additional late fee of 10 percent of the applicable fees shall be added for each subsequent calendar month, or portion thereof, the payment of fees is late. In no case shall the late fee exceed 100 percent of the applicable fees.

(1) Each facility owner or operator shall pay an annual District Air Toxics "Hot Spots" program fee as follows:

Facility Type	Annual Fee ($) / Facility
Complex Facilities	$3785
Intermediate Facilities	$1559
Simple II Facilities	$ 795
Simple I Facilities	$ 417
Tracking Facilities	$ 50
Industry-wide Survey Facilities	$ 30

For the purposes of this section:

(i) Complex facilities are those facilities determined by the District as consisting of more than five different toxic air contaminant emitting processes.

(ii) Intermediate facilities are those facilities determined by the District as consisting of three, four, or five different toxic air contaminant emitting processes.

(iii) Simple II facilities are those facilities determined by the District as consisting of two different toxic air contaminant emitting processes.

(iv) Simple I facilities are those facilities determined by the District as consisting of one toxic air contaminant emitting process.

(v) Tracking facilities are those facilities determined by the District to meet the criteria in Health and Safety Code Section 44344.4, Subsection (b) or which qualify as a "tracking facility" as defined in California Code of Regulations, Title 17, Section 90701, Subsection (ah).

(vi) Industry-wide survey facilities are those facilities identified by the District as subject to the requirements of the Air Toxics "Hot Spots" program and having received an "Industry-wide Emissions Inventory Form" from the District.

(2) The owner or operator of a facility determined by the District to meet the criteria in Health and Safety Code Section 44344.4, Subsection (a), or which qualifies for exclusion from the Air Resources Board (ARB) Fee Schedule pursuant to California Code of Regulations, Title 17, Section 90702, Subsection (c)(2) shall be exempt from fees required by this Section (m).

(3) The owner or operator of a facility identified by the District as subject to any of the following site-specific program requirements shall pay an annual site-specific program fee in addition to the annual fee specified in Subsection (m)(1).

(i) Toxic air contaminant emissions source testing when necessary to determine emissions for inclusion in a toxic air contaminant emissions inventory.

(ii) Public health risk assessment or updated public health risk assessment pursuant to Health and Safety Code Section 44360 et seq. or Rule 1210 of these Rules and Regulations.

(iii) Public notification of public health risks pursuant to Health and Safety Code Section 44362 or Rule 1210 of these Rules and Regulations.

(iv) Facility toxic air contaminant risk reduction audit and plan pursuant to Health and Safety Code Section 44390 or Rule 1210 of these Rules and Regulations.

The amount of the site-specific program fee shall be equal to the actual costs incurred by the District associated with the site-specific program requirements for each affected facility. The costs shall be determined using the labor rates specified in Schedule 94 of this rule.

(4) In addition to the fees specified in Subsections (m)(1), (2) and (3), the owner or operator of a facility subject to the requirements of Health and Safety Code Section 44300 et seq. shall pay an annual fee for the recovery of State program costs. The amount of the annual State program fee for each facility shall be that specified by the ARB in accordance with the State Air Toxics "Hot Spots" Fee Regulation contained in Title 17, California Code of Regulations, Section 90700 et. seq.

(n) RESERVED

(o) CALIFORNIA CLEAN AIR ACT

The owner or operator of a stationary source who is required by Title 17, California Code of Regulations, Section 90800 et seq. to pay a fee adopted by the Air Resources Board shall pay the required fee to the District within 60 days of receipt of the notice. Failure to submit the fee within 60 days of the notice will result in a late fee equal to 30 percent of the applicable fee. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month. In no case shall the late fee exceed 100 percent of the fee.

(p) COOLING TOWER FEES

The owner or operator of any stationary source for which a plan is required pursuant to Rule 1202 of the Rules and Regulations of the Air Pollution Control District shall pay to the District a fee of $37 for the evaluation of each plan, as well as $21 for each cooling tower described in the plan.

The fees required by this rule shall be due at the time the plan is received. If the appropriate fee is not paid within 60 days of the due date, a late fee equal to 30 percent of the applicable fee shall be added to the plan review fee. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month, or portion thereof.

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to collect a sample(s) of the cooling tower circulating water for offsite analysis, the cost of analysis shall be paid by the source. The cost shall be equal to the cost determined by using the labor rates specified in Schedules 94 and the actual cost of collection and analysis of the sample(s).

(q) CERTIFICATION OF EQUIPMENT

Every applicant who applies for certification of equipment shall deposit with the Air Pollution Control District the amount estimated to cover the cost of review and certification. The estimate and the actual cost shall be determined by using labor rates specified in Schedule 94.

(r) AIR CONTAMINANT EMISSIONS FEE

The Air Contaminant Emissions Fee is a single, source-specific fee collected simultaneously with, and considered a part of the per unit application fee(s) from Column (1) of the fee schedules, for the first Permit(s) to Operate at new permitted or registered stationary sources, and the annual renewal per unit fee(s) from Column (2) for existing permitted or registered stationary sources, as specified in Section (h). Except as otherwise provided in this section, no air contaminant emissions fee shall be collected simultaneously with or be considered a part of the application fee for the addition of units to an existing permitted or registered stationary source that has paid an air contaminant emissions fee as part of the most recent renewal of the current Permit(s) to Operate.

For the purposes of this section, the definitions in Rule 20.1 apply. This section applies to both existing and new stationary sources. For new stationary sources, the District shall determine the applicability of Subsections (1) or (2) based upon actual expected air contaminant emissions from the stationary source as estimated by the District, for the calendar year in which the permit to operate for the source is issued. If the actual expected air contaminant emissions of carbon monoxide, oxides of nitrogen, oxides of sulfur, particulate matter (PM_{10}) or volatile organic compounds (VOCs) equal or exceed 10 tons for that calendar year, the air contaminant emissions fee shall be based on such expected emissions. This initial fee shall continue until revised to reflect District approved emissions inventory data when such data is available for the stationary source.

(1) The owner or operator of a stationary source from which the emissions of either carbon monoxide, oxides of nitrogen, oxides of sulfur, PM_{10} or VOCs equal or exceed 10 tons in the calendar year for which the most recent District approved emissions inventory data exists shall pay a source-specific annual air contaminant emissions fee. The amount of the fee shall be based on the aggregate emissions of carbon monoxide, oxides of nitrogen, oxides of sulfur, PM_{10} and VOCs from the stationary source in the calendar year for which the most recent District approved emissions inventory data exists, and an air contaminant emissions fee rate of $82 per ton.

(2) The owner or operator of a stationary source that is not subject to the source-specific annual air contaminant emissions fee prescribed in Subsection (1) above, shall pay an annual source category emissions fee. The amount of the fee shall be as follows, based on the fee schedule that is most representative of the nature of the activities at the stationary source:

Source Category Description	Fee Schedule	Annual Emissions Fee
VOC dispensing facility - Phase I and Phase II controls required	26(a)	$9 per dispensing nozzle
Contract service remote reservoir cleaners with 100 or more units	28(k)	$4.6 per cleaning unit
Industrial surface coating/adhesives applications (5 or more tons/year)	27(e)	$410
Metal parts and aerospace coating applications (5 or more tons/year)	27(k)	$410
Wood product coating applications w/o controls (5 or more tons/year)	27(m)	$410
Automotive painting operations (applying more than 5 gallons/day)	27(s)	$246

Adhesive Application Operations (5 or more tons/year)	27(v)	$394
All other stationary sources	various	$ 41

Where more than one source category description or fee schedule applies, and it cannot be determined which is most representative of the nature of the activities at a stationary source, the single source category description or fee schedule that results in the maximum annual emissions fee shall apply for purposes of this section.

(s) TITLE V OPERATING PERMIT FEES

The owner or operator of a stationary source for which a federal operating permit is required pursuant to Regulation XIV (Title V Operating Permits) of these Rules and Regulations shall pay a fee sufficient to recover the actual costs incurred by the Air Pollution Control District to review, evaluate and act upon applications for enhanced Authorities to Construct initial permits, permit amendments, permit modifications, permit revisions, permit reopening and permit renewals. The costs shall be determined using the labor rates specified in Schedule 94, except that the costs associated with annual permit renewals shall be determined using the labor rates specified in Schedule 94. When required to apply for an initial Title V permit pursuant to Regulation XIV, the owner or operator of a stationary source shall pay an additional base fee of $2200 for each stationary source, plus the cost recovery fee specified above.

The Title V operating permit fee shall be in addition to other applicable fees prescribed in this rule. The actual costs shall be the additional costs that the Air Pollution Control Officer determines are not otherwise recovered by other applicable fees prescribed in this rule. When required to submit an application for, or regarding, a Title V operating permit, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of reviewing, evaluating and acting upon the application.

(t) RESERVED

INDEX OF FEE SCHEDULES

SCHEDULE 1: Abrasive Blasting Equipment Excluding Rooms and Booths

- (a) Pot 100 Pounds Capacity or Larger with no Peripheral Equipment
- (b) Pot 100 Pounds Capacity or Larger Loaded Pneumatically or from Storage Hoppers
- (c) Bulk Abrasive Blasting Material Storage System
- (d) Spent Abrasive Handling System
- (x) Portable Abrasive Blasting Unit, Registration Under Rule 12.1

SCHEDULE 2: Abrasive Blasting Cabinets, Rooms and Booths

- (a) Abrasive Blasting Cabinet, Room or Booth
- (b) Cabinet, Room or Booth with an Abrasive Transfer or Recycle System

SCHEDULE 3: Asphalt Roofing Kettles and Tankers used to Store Heat, Transport, and Transfer Hot Asphalt

- (a) Kettle or Tanker with Capacity Greater than 85 Gallons
- (b) Kettle or Tanker with Capacity Greater than 85 Gallons and Requiring Emission Control Equipment
- (w) Asphalt Roofing Kettles and Tankers, Registration Under Rule 12
- (z) Asphalt Roofing Kettles and Tankers, Registration Under Rule 12, Conversion from Valid Permit

SCHEDULE 4:

- (a) Hot-Mix Asphalt Paving Batch Plants
- (z) Hot-Mix Asphalt Batch Plant (98-99 only)

SCHEDULE 5: Rock Drills

- (a) Drill with Water Controls
- (b) Drill with Controls other than Water
- (w) Drill, Registration Under Rule 12
- (z) Drill, Registration Under Rule 12, Conversion from Valid Permit

SCHEDULE 6: Sand, Rock, and Aggregate Screens, when not used in Conjunction with other Permit Items in these Schedules

- (a) Screen Set
- (x) Portable Sand and Gravel Screen, Registration Under Rule 12.1
- (z) Screen Set (98-99 only)

SCHEDULE 7: Sand, Rock, and Aggregate Plants

- (a) Crusher System
- (b) Screening System
- (c) Loadout System
- (d) Aggregate Dryer System
- (x) Portable Rock Crushing System, Registration Under Rule 12.1
- (y) Crusher System (98-99 only)
- (z) Screening System (98-99 only)

SCHEDULE 8: Concrete Batch Plants, Concrete Mixers Over One Cubic Yard Capacity and Separate Cement Silo System.

(a) Concrete Batch Plant (including Cement-Treated Base Plants)
(b) Mixer over One Cubic Yard Capacity
(c) Cement or Fly Ash Silo System not part of another system requiring a permit
(x) Portable Concrete Batch Plant, Registration Under Rule 12.1
(z) Concrete Batch Plant (98-99 only)

SCHEDULE 9: Concrete Product Manufacturing Plants

SCHEDULE 10: Brick Manufacturing Plants

(a) Clay Batching and Extruding System
(b) Crusher-Screen System
(c) Kiln

SCHEDULE 11: Tire Buffers

SCHEDULE 12: Fish Canneries and Smoke Houses

(a) Dryer (also called Meal Drying and Grinding System)
(b) Precooker
(c) Vat and Vibrating Screen System
(d) Scrap Cooker and Grinder System
(e) Cooker
(f) Dry Pet Food Processing System
(g) Digester Tank
(h) Smoke House
(i) Loadout System

SCHEDULE 13: Boilers and Heaters

(a) 1 MM BTU/HR up to but not including 50 MM BTU/HR Input
(b) 50 MM BTU/HR up to but not including 250 MM BTU/HR Input
(c) 250 MM BTU/HR up to 1050 MM BTU/HR Input or up to but not including 100 Megawatt Gross Output whichever is Greater (Based on an Average Boiler Efficiency of 32.5%)
(d) 100 Megawatt Gross Output or Greater (Based on an Average Boiler Efficiency of 32.5%)
(e) RESERVED
(f) 1 MM BTU/HR up to but not including 50 MM BTU/HR Input at a Single Site where more than 5 such Units are Located
(g) Notice of Intention - 250 MM BTU/HR up to 1050 BTU/HR or up to but not including 100 Megawatt Output
(h) Notice of Intention - Each 100 Megawatt Output or Greater

SCHEDULE 14: Non-Municipal Incinerators

(a) Waste Burning Capacity up to and including 100 LBS/HR
(b) Waste Burning Capacity Greater than 100 LBS/HR
(c) Burning Capacity up to and including 50 LBS/HR used exclusively for the Incineration or Cremation of Animals
(d) Emission Controls or Modifications

SCHEDULE 15: Burn Out Ovens

(a) Electric Motor/Armature Refurbishing Oven
(b) Wire Reclamation Oven
(c) IC Engine Parts Refurbishing Unit
(z) Navy: Burn Out IC Engine Parts (98-99 Only)

SCHEDULE 16: Core and Plastics Annealing/Softening Ovens

(a) Core Oven
(b) Plastic Annealing/Softening Ovens

SCHEDULE 17: Brake Debonders

SCHEDULE 18: Metal Melting Devices

(a) Sweat Furnace
(b) Electric Arc Furnace
(c) Pit or Stationary Crucible
(d) Pot Furnace
(e) Induction Furnace
(f) Cupola
(g) Reverberatory Furnace
(h) Brass Metal Melting Furnace - U.S. Navy
(z) Navy: Metal Induction Furnace (98-99 Only)

SCHEDULE 19: Oil Quenching and Salt Baths

SCHEDULE 20: Gas Turbine Engines, Test Cells and Test Stands

GAS TURBINE, TURBOSHAFT, TURBOJET & TURBOFAN ENGINE TEST CELLS AND STANDS

(a) Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand
(b) Aircraft Propulsion Test Cell or Stand at a Facility where more than one such Unit is located
(c) Non-Aircraft Turbine Test Cell or Test Stand

SCHEDULE 20: continued

GAS TURBINE ENGINES

(d) Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input
(e) Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input
(f) Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input
(g) Unit used solely for Peak Load Electric Generation
(h) Standby Gas Turbines used for Emergency Power Generation

SCHEDULE 21: Waste Disposal and Reclamation Units

(a) Paper or Wood Shredder or Hammermill Grinder
(b) Metal Shredder
(c) Garbage and Refuse Shredder
(d) Air Classifier
(e) Dryer

SCHEDULE 22: Feed and Grain Mills and Kelp Processing Plants

(a) Receiving System (includes Silos)
(b) Grinder, Cracker, or Roll Mill
(c) Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill
(d) Mixer System
(e) Truck or Rail Loading System
(z) Kelco: Feed Receiving Systems (Silos) (98-99 Only)
Shaker, Screen, Pellitizer, Hammer (98-99 Only)
Mixer System (98-99 Only)

SCHEDULE 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment

(a) Receiving System (Railroad, Ship and Truck Unloading)
(b) Storage Silo System
(c) Loadout Station System
(d) Belt Transfer Station

SCHEDULE 24: Dry Chemical Mixing and Detergent Spray Towers

(a) Grain Mixing System (Includes Receiving, Transfer, Mixing or Blending, Storage, and Loadout Bagging)
(b) Detergent Spray Tower
(c) Dry Chemical Mixers with capacity over One-Half Cubic Yard

SCHEDULE 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities

PART 1 - BULK PLANTS AND BULK TERMINALS EQUIPPED WITH OR PROPOSED TO BE EQUIPPED WITH A VAPOR PROCESSOR

(a) Per Tank
(b) Tank Rim Seal Replacement
(c) Per Truck Loading Head
(d) Per Vapor Processor

PART 2 - BULK PLANTS NOT EQUIPPED WITH OR NOT PROPOSED TO BE EQUIPPED WITH A VAPOR PROCESSOR

(e) Per Tank
(f) Per Truck Loading Head
(g) RESERVED

PART 3 - FACILITIES FUELING INTERMEDIATE REFUELERS (IR) FOR SUBSEQUENT FUELING OF MOTOR VEHICLES, BOATS OR AIRCRAFT

(h) Per IR Loading Connector

SCHEDULE 26: Non-Bulk Volatile Organic Compound Dispensing Facilities Subject to District Rules 61.0 thru 61.6

(a) Phase I and Phase II Vapor Recovery Facility
(b) Replacement or Addition of Tanks at a Permitted Facility
(c) Facilities where only Phase I controls are required
(d) Addition of Nozzles at Permitted Facilities where Phase II is required
(e) Non-Retail Facilities with 250-550 Gallon Tanks and no other Non-Bulk Gasoline Dispensing Permits
(f) Phase II Bootless or Mini-Booted Nozzles Vacuum Assist Systems Facility

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))

PART 1 - MARINE COATINGS

(t) Marine Coating Application at Facilities where combined coating and cleaning solvents usage is < 3 gallons/day and <100 gallons/year
(a) Marine Coating Application at Facilities emitting < 10 tons/year of VOC from Marine Coating Operations
(b) Marine Coating Application at Facilities emitting ≥ 10 tons/year of VOC from Marine Coating Operations
(c) Each additional Marine Coating Permit Unit

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS and MANUFACTURING

(d) Surface Coating Application Station using > 1 gallon/day without Control Equipment and not covered by other Fee Schedules at Facilities emitting < 5 tons/year

SCHEDULE 27 - continued

PART 2: continued:

(e) Surface Coating Application Station without Control Equipment and not covered by other Fee Schedules at Facilities emitting ≥ 5 tons/year
(f) Fiberglass, Plastic or Foam Product Process Line at Facilities emitting < 10 tons/year from these types of Operations
(g) Fiberglass, Plastic or Foam Product Process Line at Facilities emitting ≥ 10 tons/year from these types of Operations
(h) RESERVED
(i) Surface Coating Application Station requiring Control Equipment
(j) Surface Coating Application Station Subject to Rules 67.3 or 67.9 without Control Equipment at Facilities emitting < 5 tons/year
(k) Surface Coating Application Station Subject to Rules 67.3 or 67.9 without Control Equipment at Facilities emitting ≥ 5 tons/year
(l) Wood Products Coating Application Station without Control Equipment at Facilities emitting < 5 tons/year and using > 500 gallons/year
(m) Wood Products Coating Application Station without Control Equipment at Facilities emitting ≥ 5 tons/year
(n) Press or Operation at a Printing or Graphic Arts Facility Subject to Rule 67.16
(o) Union Tribune Publishing Graphic Arts Operation
(p) Surface Coating Application Station without Control Equipment where combined coating and cleaning solvent usage is < 1 gallon/day or ≤ 50 gallons/year
(q) Wood Products Coating Application Station without Control Equipment at Facilities using ≤ 500 gallons/year

PART 3 - AUTOMOTIVE PAINTING

(r) Facility applying < 5 gallons/day of Coating Materials Subject to Rule 67.20 (as applied or sprayed)
(s) Facility applying ≥ 5 gallons/day of Coating Materials Subject to Rule 67.20 (as applied or sprayed)

PART 4 - ADHESIVE MATERIALS APPLICATION OPERATIONS

(u) Adhesive Materials Application Station without Control Equipment at Facilities emitting < 5 tons/year of VOC
(v) Adhesive Materials Application Station without Control Equipment at Facilities emitting ≥ 5 tons/year of VOC
(w) Adhesive Materials Application Station without Control Equipment using < 55 gallons/year of Adhesive Materials

SCHEDULE 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks

(a) Vapor Degreaser (> 5 sq. ft.)
(b) Cold Solvent Degreaser (> 5 sq. ft.)
(c) Corrosion Control Carts
(d) Paint Stripping Tanks
(e) Vapor Phase Solder Reflow Unit
(f) Remote Reservoir Cleaners
(g) RESERVED
(h) Vapor Degreaser (< 5 sq. ft)
(i) Cold Solvent Degreaser (< 5 sq. ft)
(j) Metal Inspection Tanks
(k) Contract Service Remote Reservoir Cleaners
(l) Small Contract Service Cold Degreasers (< 5 sq. ft)
(m) Facility-Wide Solvent Application Operations
(n) RESERVED

SCHEDULE 29: Solder Levelers and Hydrosqueegees

SCHEDULE 30: Kelp and Biogum Products Solvent Dryer

SCHEDULE 31: Dry Cleaning Facilities

(a) Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment
(b) Facility using Petroleum Based Solvents
(c) Facility using Solvents not required to install Control Equipment
(d) RESERVED

SCHEDULE 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing

(a) Copper Etching Tank
(b) Acid Chemical Milling Tank
(c) Hot Dip Galvanizing Tank
(z) Herco: Copper Etching Tank (98-99 Only)

SCHEDULE 33: Can and Coil Manufacturing and Coating Operations

(a) Process Line Applying ≥1000 Gallons/Year
(b) Research and Development Coil Coating Line
(c) Process Line Applying <1000 Gallons Per Year
(z) Napp: Process Line Applying >1000 Gallons/Year (98-99 Only)

SCHEDULE 34: Piston Type Internal Combustion Engines

(a) Cogeneration Engine with In-Stack Emission Controls
(b) Cogeneration Engine with Engine Design Emission Controls
(c) Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee
(d) Engine for Non-Emergency and Non-Cogeneration Operation
(e) Grouping of Engines (≥ 200 Horsepower) for Dredging or Crane Operation
(f) Diesel Pile-Driving Hammer
(g) Engine for Non-Emergency and Non-Cogeneration Operation (< 200 Horsepower)
(w) Specific Eligible Engines, Registration Under Rule 12
(x) Specific Eligible Portable Engines, Registration Under Rule 12.1
(z) Specific Eligible Engines, Registration Under Rule 12, Conversion from Valid Permit

SCHEDULE 35: Bulk Flour, Powered Sugar and Dry Chemical Storage System

SCHEDULE 36: Grinding Booths and Rooms

SCHEDULE 37: Plasma Electric and Ceramic Deposition Spray Booths

SCHEDULE 38: Paint, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing

(a) Paint, Stain or Ink Manufacturing Lines Producing ≥10,000 Gallons
(b) Can Filling Lines
(c) Each Process Line for Solder Paste or Dielectric Paste Manufacturing
(d) Paint, Stain or Ink Manufacturing Lines Producing <10,000 Gallons

SCHEDULE 39: Precious Metals Refining

SCHEDULE 40: Asphalt Pavement Heaters/Recyclers

(a) Processor
(x) Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1

SCHEDULE 41: Perlite Processing

SCHEDULE 42: Electronic Component Manufacturing

(a) Electronic Manufacturing Operations
(b) Electronic Manufacturing Screen Printing
(c) Electronic Manufacturing Coating/Maskant Application Excluding Conformal Operations
(d) Electronic Manufacturing Conformal Coating
(e) Electronic Manufacturing Facility-wide Solvent Application
(z) Herco: Screening Printing Operations (98-99 Only)

SCHEDULE 43: Ceramic Slip Casting

SCHEDULE 44: Evaporators, Dryers, & Stills Processing Organic Materials

(a) Evaporators and Dryers
(b) Solvent Recovery Stills

SCHEDULE 45: Rubber Mixers

SCHEDULE 46: Reverse Osmosis Membrane Manufacturing

SCHEDULE 47: Organic Gas Sterilizers

(a) Organic Gas Sterilizers requiring control
(b) Stand Alone Organic Gas Aerator requiring control
(c) Organic Gas Sterilizer not requiring control
(d) Stand Alone Organic Gas Aerator not requiring control

SCHEDULE 48: Municipal Waste Storage and Processing

(a) Sanitary Landfill
(b) Temporary Storage and/or Transfer Station
(c) Landfill Gas Flare or Containment System
(d) Municipal Waste Incinerator
(e) North County Resource Recovery

SCHEDULE 49: (a) Non-Operational Status Equipment
(b) Activating Non-Operational Status Equipment

SCHEDULE 50: Coffee Roasters

SCHEDULE 51: Industrial Waste Water Treatment

(a) Processing Line - Onsite
(b) Processing Line - Offsite

SCHEDULE 52: Air Stripping and Soil Remediation Equipment

(a) Air Stripping Equipment
(b) Soil Remediation Equipment - Onsite
(c) Soil Remediation Equipment - Offsite

SCHEDULE 53: Lens Casting Equipment

(a) Lens Casting Equipment
(b) Lens Coating Equipment

SCHEDULE 54: Pharmaceutical Manufacturing

(a) Pharmaceutical Manufacturing
(b) Protein Synthesis Employing Solvents

SCHEDULE 55: Hexavalent Chromium Plating & Chromic Acid Anodizing

(a) Emissions Collection System serving one or more Plating and/or Anodizing Tank(s)
(b) Decorative Plating Tank(s) Only
(c) Hard Chrome Plating or Chromic Acid Tank

SCHEDULE 56: Sewage Treatment Facilities

(a) Sewage Treatment Facility
(b) Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility
(c) Sewage Sludge Composting Facility

SCHEDULE 57: Laundry Facilities Processing Material Containing Organic Compounds

SCHEDULE 58: Bakeries

SCHEDULE 59 through 90, RESERVED

SCHEDULE 91: Miscellaneous - Hourly rates

SCHEDULE 92: Source Testing Done by the District

(a) Particulate Matter Source Test
(b) Oxides of Nitrogen Source Test
(c) Oxides of Sulfur Source Test
(d) Hydrocarbon Vapor Processor Test
(e) Observation and Reporting of Odor Panel Test
(f) Carbon Monoxide Source Test (continuous analyzer)
(g) Oxides of Nitrogen Source Test (continuous analyzer)
(h) Incinerator Particulate Matter Source Test (excluding quadrennial source test in Fee Schedule 14(a))
(i) Ammonia Slippage Source Test
(j) Continuous Emission Monitor Evaluation

SCHEDULE 92: continued

(k) Kelco: VOC Source Test
(l) VOC Outlet Source Test
(m) Mass Emissions Source Test
(n) Ethylene Oxide Test Witness
(o) Multiple Metals Source Test
(p) Chromium Source Test
(q) VOC Onsite Analysis
(r) VOC Offsite Analysis
(s) Hydrogen Sulfide Source Test
(t) Acid Gases Source Test
(z) Micellaneous Source Test (Special Tests not Listed)

SCHEDULE 93: Observations and Evaluations of Source Testing Performed by Private Companies

(a) Observations
(b) Source Test Reports
(c) Test Procedure Review

SCHEDULE 94: Time and Material (T+M) Labor Rates

SCHEDULE 95: Sampling and Analysis of Architectural Coatings

SCHEDULE 96: Additional Costs incurred by Non-Compliance Sources

SCHEDULE 97: Other Charges

FEE SCHEDULES

The following Fee Schedules do not include the Emission Fee component of the fee. To determine the total fee to be paid, add the amount in Column (1) or Column (2), as appropriate, for each permitted fee unit to the air contaminant emissions fee for the facility, based on Rule 40(r).

SCHEDULE 1: Abrasive Blasting Equipment Excluding Rooms and Booths

Any permit unit consisting of air hoses, with or without water lines, with a single pot rated at 100 pounds capacity or more of sand regardless of abrasive used, and a nozzle or nozzles. (Equipment not operated solely in Schedule 2 facilities).

Fee Unit	Initial A/C-P/O Fees (1)	Renewal (2)
(a) Each Pot 100 pounds capacity or larger with no Peripheral Equipment	$440	$ 64
(b) Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	T+RN	$ 64
(c) Each Bulk Abrasive Blasting Material Storage System	$1059	$ 30
(d) Each Spent Abrasive Handling System	T+RN	$ 88
(x) Each Portable Abrasive Blasting Unit, Registration Under Rule 12.1	$200	$150

SCHEDULE 2: Abrasive Blasting Cabinets, Rooms and Booths

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Abrasive Blasting Cabinet, Room or Booth	$1203	$ 98
(b) Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	T+RN	$180

SCHEDULE 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Kettle or Tanker with capacity greater than 85 gallons	$687	$ 55
(b) Each Kettle or Tanker with capacity greater than 85 gals. and requiring emission control equipment	T+RN	$152
(w) Each Kettle or Tanker, Registration Under Rule 12	$166	$ 44
(z) Each Kettle or Tanker, Registration Under Rule 12, Conversion from Valid Permit	$142	N/A

SCHEDULE 4: Hot-Mix Asphalt Paving Batch Plant

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Hot Mix Asphalt Paving Batch Plant	T+RN	$602
(z)	Each Hot Mix Asphalt Batch Plant (98-99 only)		$534

SCHEDULE 5: Rock Drills

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Drill with water controls	$803	$ 56
(b)	Each Drill with controls other than water	T+RN	$ 60
(w)	Each Drill, Registration Under Rule 12	$166	$ 44
(z)	Each Drill, Registration Under Rule 12, Conversion from Valid Permit	$142	N/A

SCHEDULE 6: Sand, Rock, and Aggregate Screens and other screening operations, when not used in conjunction with other Permit Items in these Schedules

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Screen Set	$1155	$140
(x)	Each Portable Sand and Gravel Screen Set, Registration Under Rule 12.1	$ 200	$150
(z)	Each Screen Set (98-99 only)		$216

SCHEDULE 7: Sand, Rock, and Aggregate Plants

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)	T+RN	$215
(b)	Each Screening System (involves all screens serving a given primary or secondary crusher system)	T+RN	$ 40
(c)	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)	T+RN	$ 30
(d)	Each Aggregate Dryer System	T+RN	$ 8
(x)	Each Portable Rock Crushing System, Registration Under Rule 12.1	$200	$150
(y)	Each Crusher System (98-99 only)		$215
(z)	Each Screening System (98-99 only)		$233

SCHEDULE 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Concrete Batch Plant (including Cement-Treated Base Plants)	T+RN	$177
(b)	Each Mixer over one cubic yard capacity	T+RN	$ 57
(c)	Each Cement or Fly Ash Silo System not part of another system requiring a Permit	T+RN	$ 96
(x)	Each Portable Concrete Batch Plant, Registration Under Rule 12.1	$200	$150
(z)	Each Concrete Batch Plant (98-99 only)		$165

SCHEDULE 9: Concrete Product Manufacturing Plants

Fee Unit	Initial Fees (1)	Renewal (2)
Each Plant	T+RN	$131

SCHEDULE 10: Brick Manufacturing Plants

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Clay Batching and Extruding System	T+RN	T+M
(b)	Each Crusher-Screen System	T+RN	T+M
(c)	Each Kiln	T+RN	T+M

SCHEDULE 11: Tire Buffers

Fee Unit	Initial Fees (1)	Renewal (2)
Each Buffer	T+RN	$108

SCHEDULE 12: Fish Canneries and Smoke Houses

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Dryer (Meal Drying and Grinding System)	T+RN	T+M
(b)	Each Precooker	T+RN	T+M
(c)	Each Vat and Vibrating Screen System	T+RN	T+M
(d)	Each Scrap Cooker and Grinder System	T+RN	T+M
(e)	Each Cooker	T+RN	T+M
(f)	Each Dry Pet Food Processing System	T+RN	T+M
(g)	Each Digester Tank	T+RN	T+M
(h)	Each Smoke House	T+RN	$142
(i)	Each Loadout System	T+RN	T+M

SCHEDULE 13: Boilers and Heaters

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$1584	$141
(b)	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	T+RN	$278
(c)	Each 250 MM BTU/HR up to 1050 MM BTU/HR input or up to but not including 100 Megawatt gross output whichever is greater (based on an average boiler efficiency of 32.5%)	T+RN	T+M
(d)	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)	T+RN	$2228
(e)	RESERVED		
(f)	Each Unit 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	$1363	$ 26
(g)	Each 250 MM BTU/HR up to 1050 MM BTU/HR input or up to but not including 100 Megawatt gross output, whichever is greater, where a Notice of Intention has been filed with the California Energy Commission	T+RN	T+M
(h)	Each 100 Megawatt gross output or greater where a Notice of Intention has been filed with the California Energy Commission	T+RN	T+M

SCHEDULE 14: Non-Municipal Incinerators

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Waste burning capacity up to & including100 lbs/hr*	T+RN	$1613
(b)	Waste burning capacity greater than 100 lbs/hr	T+RN	$ 358
(c)	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals	T+RN	$ 256
(d)	Emission Controls or Modification for ATCM	T+RN	N/A

*Excluding incinerators of 50 lbs/hr capacity or less used exclusively for incineration or cremation of animals. Renewal fee for 14(a) includes quadrennial incinerator particulate matter source test costs.

SCHEDULE 15: Burn-Out Ovens

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Electric Motor/Armature Refurbishing Oven	T+RN	$ 94
(b)	Each Wire Reclamation Oven	T+RN	T+M
(c)	Each IC Engine Parts Refurbishing Unit	T+RN	$ 56
(z)	Navy: Burn Out IC Engine Parts (98-99 Only)		$7917

SCHEDULE 16: Core and Plastics Annealing/Softening Ovens

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Core Oven	T+RN	$216
(b)	Each Plastic Annealing/Softening Ovens	T+RN	T+M

SCHEDULE 17: Brake Debonders

Fee Unit	Initial Fees (1)	Renewal (2)
Each Brake Debonder	T+RN	T+M

SCHEDULE 18: Metal Melting Devices

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sweat Furnace	T+RN	T+M
(b)	Each Electric Arc Furnace	T+RN	T+M
(c)	Each Pit or Stationary Crucible	T+RN	$126
(d)	Each Pot Furnace	T+RN	$ 99
(e)	Each Induction Furnace	T+RN	$131
(f)	Each Cupola	T+RN	T+M
(g)	Each Reverberatory Furnace	T+RN	T+M
(h)	Brass Metal Melting Furnace - U.S. Navy	T+RN	T+M
(z)	Navy: Metal Induction Furnace (98-99 Only)		$7179

SCHEDULE 19: Oil Quenching and Salt Baths

Fee Unit	Initial Fees (1)	Renewal (2)
Each Tank	T+RN	$ 67

SCHEDULE 20: Gas Turbine Engines, Test Cells and Test Stands

Fee Unit		Initial Fees (1)	Renewal (2)
GAS TURBINE, TURBOSHAFT, TURBOJET AND TURBOFAN ENGINE TEST CELLS AND STANDS			
(a)	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	T+RN	$ 344
(b)	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	T+RN	$ 110
(c)	Each Non-Aircraft Turbine Test Cell or Stand	T+RN	$ 35
GAS TURBINE ENGINES			
(d)	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	T+RN	$ 303
(e)	Each Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input	T+RN	$1709
(f)	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	T+RN	$1044
(g)	Each Unit used solely for Peak Load Electric Generation	T+RN	$ 108
(h)	Each Standby Gas Turbine used for Emergency Power Generation	T+RN	$ 34

SCHEDULE 21: Waste Disposal and Reclamation Units

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Paper or Wood Shredder or Hammermill Grinder	T+RN	$307
(b)	Each Metal Shredder	T+RN	T+M
(c)	Each Garbage & Refuse Shredder	T+RN	T+M
(d)	Each Air Classifier	T+RN	T+M
(e)	Each Dryer	T+RN	T+M

SCHEDULE 22: Feed and Grain Mills and Kelp Processing Plants

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Receiving System (includes Silos)	T+RN	$451
(b)	Each Grinder, Cracker, or Roll Mill	T+RN	$ 78
(c)	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	T+RN	$ 55
(d)	Each Mixer System	T+RN	$ 58
(e)	Each Truck or Rail Loading System	T+RN	$ 60
(z)	Kelco (98-99 Only): Feed Receiving Systems (Silos) [$7110] Shaker, Screen, Pellitizer, Hammermill [$12,429] Mixer System [$6773]		$26,312

SCHEDULE 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Receiving System (Railroad, Ship and Truck Unloading)	T+RN	$271
(b)	Each Storage Silo System	T+RN	$156
(c)	Each Loadout Station System	T+RN	$ 44
(d)	Each Belt Transfer Station	T+RN	$ 37

SCHEDULE 24: Dry Chemical Mixing and Detergent Spray Tower

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Grain Mixing System (includes receiving, transfer, mixing or blending, storage, and loadout bagging)	T+RN	$260
(b)	Each Detergent Spray Tower	T+RN	T+M
(c)	Each Dry Chemical Mixer with capacity over one-half cubic yard	T+RN	$117

SCHEDULE 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities

Fee Unit		Initial Fees (1)	Renewal (2)
1.	Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor:		
	(a) Per Tank	T+RN	$ 461
	(b) Tank Rim Seal Replacement	T+RN	N/A
	(c) Per Truck Loading Head	T+RN	$ 87
	(d) Per Vapor Processor	T+RN	$1724
2.	Bulk Plants not equipped with or not proposed to be equipped with a vapor processor:		
	(e) Per Tank	T+RN	$ 37
	(f) Per Truck Loading Head	T+RN	$ 19
	(g) RESERVED		

"Vapor Processor" means a device which recovers or transforms volatile organic compounds by condensation, refrigeration, adsorption, absorption, incineration, or any combination thereof.

3.	Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:		
	(h) Per IR Loading Connector	T+RN	$ 37

If a facility falls into Parts 1, 2 or 3 above and is equipped with dispensing nozzles for which Phase II vapor controls are required, additional fees equivalent to the "per nozzle" fees for Schedule 26(a) shall be assessed for each dispensing nozzle.

SCHEDULE 26: Non-Bulk Volatile Organic Compound Dispensing Facilities Subject to District Rules 61.0 through 61.6

Fee Unit	Initial Fees (1)	Renewal (2)
(a) INITIAL INSTALLATIONS AND TOTAL RENOVATIONS WHERE PHASE I AND PHASE II CONTROLS ARE REQUIRED (INCLUDES PHASE I FEE), EXCEPT WHERE SCHEDULE 26(f) APPLIES		
Base Fee/Per Nozzle Fee	$785/84	*N/A/$ 44
(b) REPLACEMENT OR ADDITION OF TANKS AT A PERMITTED PHASE II FACILITY		
Fee Per Facility**	$837	N/A
(c) FACILITIES WHERE ONLY PHASE I CONTROLS ARE REQUIRED (INCLUDES TANK REPLACEMENT)		
Fee Per Facility	$531	$ 78
(d) ADDITION OF NOZZLES AT PERMITTED FACILITIES WHERE PHASE II IS REQUIRED, EXCEPT WHERE SCHEDULE 26(f) APPLIES		
Base Fee/Per Added Nozzle Fee	$554/$ 57	N/A
(e) NON RETAIL FACILITIES WITH 260-550 GALLON TANKS AND NO OTHER NON-BULK GASOLINE DISPENSING PERMITS		
Fee Per Facility	$ 306	$ 78
(f) PHASE II BOOTLESS OR MINI-BOOTED NOZZLE VACUUM ASSIST SYSTEM FACILITY		
Base Fee/Per Nozzle Fee	$1420/$123	$194 /$44

* Fee per nozzle.

** This subschedule does not apply if nozzles are added to an existing facility at the same time tanks are replaced or added. Use Subschedule 26(d) instead.

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))

PART 1 - MARINE COATINGS

Fee Unit		Initial Fees (1)	Renewal (2)
(t)	First Permit to Operate for Marine Coating application at facilities where combined coating and cleaning solvent usage is < 3 gallons/day and <100 gallons	T+RN	$202
(a)	First Permit to Operate for Marine Coating application at facilities emitting < 10 tons/year of VOC from Marine Coating Operations	$1973	$256
(b)	First Permit to Operate for Marine Coating application at facilities emitting ≥ 10 tons/year of VOC from Marine Coating Operations	$2921	$1030
(c)	Each additional Permit Unit for Marine Coating application at existing permitted facilities	T+RN	$ 90

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING

(includes application stations for coatings such as paint spraying and dip tanks, printing, and manufacturing products with materials which contain VOCs, etc.).

Fee Unit		Initial Fees (1)	Renewal (2)
(d)	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting < 5 tons/year of VOC from equipment in this fee schedule	$1210	$185
(e)	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities emitting ≥ 5 tons/year of VOC from equipment in this fee schedule	$1438	$301
(f)	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting < 10 tons/year of VOC from fiberglass, plastic or foam products operations	$2033	$291
(g)	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting ≥ 10 tons/year of VOC from fiberglass, plastic or foam products operations	$2377	$303
(h)	RESERVED		
(i)	Each Surface Coating Application Station requiring Control Equipment	T+RN	$3449
(j)	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting < 5 tons/year of VOC from equipment in this fee schedule	$1578	$ 262

SCHEDULE 27: Continued

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING Continued

Fee Unit	Initial Fees (1)	Renewal (2)
(k) Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≥ 5 tons/year of VOC from equipment in this fee schedule	$3010	$ 235
(l) Each Wood Products Coating Application Station w/o Control Equipment at facilities using > 500 gallons/year of wood products coatings and emitting < 5 tons/year of VOC from Wood Products Coating Operations	$1054	$ 244
(m) Each Wood Products Coating Application Station w/o Control Equipment at facilities emitting ≥ 5 tons/year of VOC from Wood Products Coating Operations	$1511	$ 305
(n) Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	T+RN	$ 96
(o) Each Graphic Arts Operation at the Union Tribune Publishing Co. facility subject to Rule 67.16	T+RN	$ 130
(p) Each Surface Coating Application Station w/o control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon/day or < 50 gallons/year	$1025	$ 370
(q) Each Wood Products Coating Application Station of coatings and stripper w/o control equipment at a facility using ≤ 500 gallons/year for Wood Products Coating Operations	$ 963	$ 230

PART 3 - MOTOR VEHICLE AND MOBILE EQUIPMENT REFINISHING OPERATIONS

Fee Unit	Initial Fees (1)	Renewal (2)
(r) Each facility applying < 5 gallons/day of Coating Materials subject to Rule 67.20 (as applied or sprayed)	$1426	$309
(s) Each facility applying ≥ 5 gallons/day of Coating Materials subject to Rule 67.20 (as applied or sprayed)	$1306	$228

SCHEDULE 27: Continued

PART 4 - ADHESIVE MATERIALS APPLICATION OPERATIONS

Fee Unit	Initial Fees (1)	Renewal (2)
(u) Each Adhesive Materials Application Station w/o control equipment at facilities emitting < 5 tons/year of VOC from equipment in this fee schedule	$1210	$185
(v) Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≥ 5 tons/year of VOC from equipment in this fee schedule	$1438	$301
(w) Each Adhesive Materials Application Station w/o control equipment where adhesive materials usage is < 55 gallons/year	$ 963	$230

SCHEDULE 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Vapor Degreaser with an Air Vapor Interfacial area > 5 square feet	$1171	$115
(b) Each Cold Solvent Degreaser with liquid surface area > 5 square feet	$ 979	$ 65
(c) Each Corrosion Control Cart	T+RN	$116
(d) Each Paint Stripping Tank	$1332	$112
(e) Each Vapor-Phase Solder Reflow Unit	T+RN	$ 75
(f) Remote Reservoir Cleaners	$ 336	$ 72
(g) RESERVED		
(h) Vapor Degreaser with an Air-Vapor Interfacial area < 5 square feet	$ 458	$ 89
(i) Cold Solvent Degreaser with a liquid surface area < 5 square feet	$ 337	$ 80
(j) Metal Inspection Tanks	T+RN	$152
(k) Contract Service Remote Reservoir Cleaners with ≤ 100 units	T+RN	$ 6
(l) Contract Service Cold Degreasers with a liquid surface area of < 5 square feet	T+RN	$ 8
(m) Each facility-wide solvent application operation	T+RN	T+M
(n) RESERVED		

SCHEDULE 29: Solder Levelers and Hydrosqueegees

Fee Unit	Initial Fees (1)	Renewal (2)
Each Solder Leveler or Hydrosqueegee not covered by other Fee Schedules (except Vapor-Phase Solder Reflow Units)	T+RN	$114

SCHEDULE 30: Solvent and Extract Dryers

Fee Unit	Initial Fees (1)	Renewal (2)
Kelp and Biogum Products Solvent Dryer	T+RN	$1511

SCHEDULE 31: Dry Cleaning Facilities

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	T+RN	$190
(b) Each Facility using Petroleum Based Solvents	T+RN	$133
(c) Each Facility using Solvents not required to install Control Equipment	T+RN	$105
(d) RESERVED		

SCHEDULE 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Copper Etching Tank	T+RN	$184
(b) Each Acid Chemical Milling Tank	T+RN	$146
(c) Each Hot Dip Galvanizing Tank	T+RN	$233
(z) Herco: Copper Etching Tank (98-99 Only)		$5567

SCHEDULE 33: Can and Coil Manufacturing and Coating Operations

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Process Line applying ≥ 1000 gallons per year	T+RN	$352
(b)	Research and Development Coil Coating Line	T+RN	$158
(c)	Each Process Line applying <1000 gallons per year	T+RN	$128
(z)	Napp: Process Line applying >1000 Gallons per year (98-99 Only)		$2247

SCHEDULE 34: Piston Type Internal Combustion Engines

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Cogeneration Engine with in-stack emission controls	T+RN	$380
(b)	Each Cogeneration Engine with Engine Design Emission Controls	T+RN	$332
(c)	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	$1534	$100
(d)	Each Engine for Non-Emergency and Non-Cogeneration Operation	$1601	$180
(e)	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower equal to or greater than 200 HP	T+RN	$147
(f)	Each Diesel Pile-Driving Hammer	T+RN	$234
(g)	Each Engine for Non-Emergency and Non-Cogeneration Operation less than 200 horsepower	T+RN	$129
(w)	Each Specified Eligible Engine, Registration Under Rule 12	$322	$104
(x)	Each Specified Eligible Portable Engine, Registration Under Rule 12.1	$200	$150
(z)	Each Specified Eligible Engine, Registration Under Rule 12, Conversion from Valid Permit	$274	N/A

SCHEDULE 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems

Fee Unit	Initial Fees (1)	Renewal (2)
Each System	T+RN	$136

SCHEDULE 36: Grinding Booths and Rooms

Fee Unit	Initial Fees (1)	Renewal (2)
Each Booth or Room	$1169	$87

SCHEDULE 37: Plasma Electric and Ceramic Deposition Spray Booths

Fee Unit	Initial Fees (1)	Renewal (2)
Each Application Station	T+RN	$127

SCHEDULE 38: Paint, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Process Line for Paint, Stain or Ink Manufacturing at facilities producing 10,000 gallons or more per year	T+RN	$112
(b) Each Can Filling Line	T+RN	$ 12
(c) Each Process Line for Solder Paste or Dielectric Paste Manufacturing	T+RN	$ 37
(d) Each Paint, Stain or Ink Manufacturing facility producing <10,000 gallons per year	T+RN	$ 91

SCHEDULE 39: Precious Metals Refining

Fee Unit	Initial Fees (1)	Renewal (2)
Each Process Line	T+RN	$ 68

SCHEDULE 40: Asphalt Pavement Heaters/Recyclers

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Processor	T+RN	$166
(x) Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	$200	$150

SCHEDULE 41: Perlite Processing

Fee Unit	Initial Fees (1)	Renewal (2)
Each Process Line	T+RN	$739

SCHEDULE 42: Electronic Component Manufacturing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Process Line	T+RN	$319
(b)	Each Screen Printing Operation	T+RN	$ 75
(c)	Each Coating/Maskant Application Operation, excluding Conformal Operation	T+RN	$243
(d)	Each Conformal Coating Operation	T+RN	$ 58
(e)	Each Facility-wide Solvent Application Operation	T+RN	$ 53
(z)	Herco: Screening Printing Operations (98-99 Only)		$3675

SCHEDULE 43: Ceramic Slip Casting

Fee Unit	Initial Fees (1)	Renewal (2)
Each Process Line	T+RN	$130

SCHEDULE 44: Evaporators, Dryers, & Stills Processing Organic Materials

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds	T+RN	$206
(b)	Solvent Recovery Stills with a rated capacity equal to or greater than 7.5 gallons	T+RN	$ 55

SCHEDULE 45: Rubber Mixers

Fee Unit	Initial Fees (1)	Renewal (2)
Each Rubber Mixer	T+RN	$ 45

SCHEDULE 46: Reverse Osmosis Membrane Manufacturing

Fee Unit	Initial Fees (1)	Renewal (2)
Each Process Line	T+RN	$505

SCHEDULE 47: Organic Gas Sterilizers

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Organic Gas Sterilizer requiring control	T+RN	$998
(b)	Each Stand Alone Organic Gas Aerator requiring control	T+RN	T+M
(c)	Each Organic Gas Sterilizer not requiring control	T+RN	$117
(d)	Each Stand Alone Organic Gas Aerator < 25 lbs. not requiring control	T+RN	$ 75

SCHEDULE 48: Municipal Waste Storage and Processing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sanitary Landfill	T+RN	T+M
(b)	Each Temporary Storage and/or Transfer Station	T+RN	T+M
(c)	Each Landfill Gas Flare or Containment System	T+RN	T+M
(d)	Each Municipal Waste Incinerator	T+RN	T+M
(e)	North County Resource Recovery	T+RN	T+M

SCHEDULE 49: Non-Operational Status Equipment

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Non-Operational Status Equipment	$37	$ 28
(b) Activating Non-Operational Status Equipment	$124 + RN*	N/A

* Renewal Fee based on appropriate fee schedule for type of equipment + Rule 40(r) (if applicable).

SCHEDULE 50: Coffee Roasters

Fee Unit	Initial Fees (1)	Renewal (2)
Each Coffee Roaster	T+RN	$629

SCHEDULE 51: Industrial Waste Water Treatment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Per Processing Line - Onsite	T+RN	$232
(b)	Per Processing Line - Offsite	T+RN	T+M

SCHEDULE 52: Air Stripping & Soil Remediation Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Air Stripping Equipment	T+RN	$108
(b)	Soil Remediation Equipment - Onsite	$3207	$561
(c)	Soil Remediation Equipment - Offsite	T+RN	$561

SCHEDULE 53: Lens Casting Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Lens Casting Line	T+RN	T+M
(b)	Each Lens Coating Line	T+RN	T+M

SCHEDULE 54: Pharmaceutical Manufacturing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Pharmaceutical Manufacturing Process Line	T+RN	$502
(b)	Each Protein Synthesis Process Line Employing Solvents	T+RN	T+M

SCHEDULE 55: Hexavalent Chromium Plating and Chromic Acid Anodizing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Emission Collection System serving one or more Plating and/or Anodizing Tank(s)	T+RN	$1209
(b)	Each Decorative Plating Tank(s) Only	T+RN	T+M
(c)	Each Hard Chrome Plating or Chromic Acid Tank	T+RN	T+M

SCHEDULE 56: Sewage Treatment Facilities

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sewage Treatment Facility	T+RN	T+M
(b)	Each Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility	T+RN	T+M
(c)	Each Sewage Sludge Composting Facility	T+RN	T+M

SCHEDULE 57: Laundry Facilities Processing Material Containing Organic Compounds

Fee Unit	Initial Fees (1)	Renewal (2)
Each Laundry Facility	T+RN	T+M

SCHEDULE 58: Bakeries

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Emission Control Device serving an oven or a group of ovens	T+RN	T+M
(b)	Each Bakery without add-on control and with combined oven heat capacity of 2 million BTU/hour or more	T+RN	T+M

SCHEDULES 59 THROUGH 90, RESERVED

SCHEDULE 91: Miscellaneous - Hourly Rates

The fee for the Authority to Construct, Permit to Operate and annual renewal for items not listed in the above fee schedules of this subsection shall be determined by the actual costs incurred by the Air Pollution Control District. The initial Authority to Construct, Permit to Operate and first year renewal fee per unit shall be the sum of the annual renewal fee per unit and the actual Authority to Construct and Permit to Operate evaluation cost, each determined by using the labor rates specified in Schedule 94. The annual renewal fee per unit (Column 2) shall be the sum of the cost determined using the labor rates in Schedule 94 plus the air contaminant emissions fee based on Rule 40(r).

The applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of evaluation and inspection, including the first year's surveillance, before an Authority to Construct and/or Permit to Operate is processed. If the actual cost incurred by the Air Pollution Control District is less than the amount deposited, the difference shall be refunded to the applicant. If any deposit is insufficient to pay all the actual costs, the applicant shall pay an amount deemed sufficient by the Air Pollution Control Officer to complete the work in progress. If the applicant fails or refuses to pay such amount upon demand, the Air Pollution Control District may recover the same by action in any court of competent jurisdiction until such amount is paid in full, providing the Air Pollution Control Officer determines that it is in the best interest of all parties concerned to proceed. An Authority to Construct and/or Permit to Operate shall not be issued until all required fees are paid.

All other fees specified in Sections (a) through (g) of this rule, shall also apply to this fee schedule.

SCHEDULE 92: Source Testing Done by the District

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District or a contractor hired by the District to make an analysis of emissions from any source for the purpose of more accurately quantifying emissions or determining whether a Permit to Operate or a Certificate of Registration or annual renewal of a Permit to Operate or a Certificate of Registration shall be issued, or where there is good reason to believe a source may not be in compliance with the District's Rules and Regulations the cost of collection and analysis of samples, including preparing the necessary reports, shall be added to the appropriate fee schedule herein. Source test fees shall be as determined in the following manner:

Fee Unit		Fee
(a)	Each Particulate Matter Source Test	$2990
	Note: Cancelation Fee	$ 500
(b)	Each Oxides of Nitrogen Source Test	T+M
(c)	Each Oxides of Sulfur Source Test	T+M
(d)	Each Hydrocarbon Vapor Processor Source Test	T+M
(e)	Each Observation and Participation of Hydrogen Sulfide Test	T+M
(f)	Each Carbon Monoxide and Oxide of Nitrogen Source Test with a Continuous Analyzer	$1843
(g)	Each Oxides of Nitrogen Source Test with a Continuous Analyzer	$1543
(h)	Each Incinerator Particulate Matter Source Test (excluding quadrennial source test in Fee Schedule 14(a))	T+M

SCHEDULE 92: continued

(i)	Each Ammonia Slippage Source Test	$ 650
(j)	Continuous Emission Monitor Evaluation	T+M
(k)	Kelco: Each VOC Source Test	T+M
(l)	Each VOC Outlet Source Test Only	T+M
(m)	Each Mass Emissions Source Test	T+M
(n)	Each Ethylene Oxide Test Witness	$2005
(o)	Each Multiple Metals Source Test	T+M
(p)	Each Chromium Source Test	T+M
(q)	Each VOC Onsite Analysis	T+M
(r)	Each VOC Offsite Analysis	T+M
(s)	Each Hydrogen Sulfide Source Test	T+M
(t)	Each Acid Gases Source Test	T+M
(z)	Micellaneous Source Test (Special Tests not Listed)	T+M

The cost of testing not specified in Sections (a) through (t) or where a T+M fee is indicated, or for additional District costs in those cases (e.g., tall stacks) when testing requires an unusually greater amount of onsite time than that represented by the fixed fees specified in this Schedule, shall be determined using the labor rates specified in Schedule 94 and related material and other costs.

SCHEDULE 93: Observations and Evaluations of Source Testing Performed by Private Companies

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to observe source testing performed by private companies for the purpose of determining whether a Permit to Operate or a Certificate of Registration or annual renewal of a Permit to Operate or a Certificate of Registration shall be issued, or where there is good reason to believe a source may not be in compliance with the District's Rules and Regulations, the cost of the observation and the preparation of a report shall be added to the applicable fees of this rule.

When a test procedure review is requested by a private company and the Air Pollution Control Officer agrees that a review should be made, the cost of the review shall be paid by such private company.

Fee Unit		Fees
(a)	Observations	T+M
(b)	Source Test Reports	T+M
(c)	Test Procedure Review	T+M

SCHEDULE 94: Time and Material (T+M) Labor Rates

Employee Classification (Fee Unit)	Hourly Rate
Engineering Technician (94p)	$ 99
Junior Engineer (94a)	$103
Assistant Engineer (94b)	$107
Associate Engineer (94c)	$122
Senior Engineer (94d)	$148
Air Quality Inspector I (94o)	$ 60
Air Quality Inspector II (94e)	$ 73
Air Quality Inspector III (94f)	$ 87
Assistant Air Resources Specialist (94s)	$ 94
Associate Air Resources Specialist (94q)	$108
Assistant Meteorologist (94g)	$ 67
Associate Meteorologist (94r)	$ 69
Senior Meteorologist (94h)	$ 73
Assistant Chemist (94i)	$ 63
Associate Chemist (94j)	$ 70
Senior Chemist (94k)	$ 82
Supervising Instrument Technician (94t)	$ 69
Instrument Technician I (94l)	$ 51
Instrument Technician II (94n)	$ 60
Source Test Technician (94m)	$ 56
Air Pollution Control Aide (94u)	$ 43
Student Worker V (94y)	$ 55
Student Worker III (94w)	$ 44
Student Worker II (94v)	$ 34

SCHEDULE 95: Sampling and Analysis

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to make an analysis of any samples for the purpose of determining potential emissions and/or for the purpose of determining compliance with District Rules and Regulations, the cost of collection and analysis of samples, including preparing the necessary reports, shall be paid by the permittee or applicant for activities which do not require a permit. The cost shall be equal to the cost determined by using the labor rates specified in Schedule 94 and the cost of external analysis.

SCHEDULE 96: Additional Costs Incurred by the District for Permittees Not in Compliance

Whenever the Air Pollution Control District is required to provide consultation, testing or inspection services to a permittee beyond the average consultation, testing and inspection covered by the permit fees specified in the preceding schedules, because the permittee's source is out of compliance with District Rules and Regulations, the cost of such consultation, testing, inspection and costs related to any Notice of Violation or Notice to Comply shall be a fee in addition to the permit fees provided elsewhere in Rule 40. The cost of such consultation, testing, inspection and costs related to any Notice of Violation or Notice to Comply shall be determined by using the labor rates specified in Schedule 94. The permittee shall be billed the additional fee for the consultation, testing, inspection and costs related to any Notice of Violation or Notice to Comply and shall remit such amount to the Air Pollution Control District within 30 days of being notified that such amount is due, unless prior arrangements for payment have been approved by the Air Pollution Control Officer. For the purposes of this schedule, the term permittee also applies to any person who has applied for or has been issued a Certificate of Registration pursuant to Rules 12 or 12.1.

SCHEDULE 97: Other Charges

Whenever the Air Pollution Control District is required to provide consultation, legally required testimony, testing or inspection, engineering, or incur costs related to any Notice of Violation or Notice to Comply or other services to any individual, business or agency, not directly related to District permitting, registration or testing requirements, the cost of such services shall be determined using the labor rates specified in Schedule 94. Individuals, businesses or agencies requesting the service shall be billed the estimated cost of such services, and shall remit such amount to the Air Pollution Control District in advance of the service, unless prior arrangements for payment have been approved by the Air Pollution Control Officer.

IT IS FURTHER RESOLVED AND ORDERED that the amendments of Rule 40 of Regulation III, shall take effect on July 1, 1998.

PASSED AND ADOPTED by the Air Pollution Control Board of the San Diego County Air Pollution Control District, State of California, this 17th day of June, 1998 by the following votes:

AYES: Cox, Jacob, Slater, Roberts, Horn

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution which is now on file in my office.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By A. Gomez
Adair Gomez, Deputy

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

BY T. Dutton
DEPUTY

(SEAL)

This is a true certified copy of the original document on file or of record in my office. It bears the seal of the County of San Diego and signature of the Clerk of the Board of Supervisors, imprinted in purple ink.

Thomas J. Pastuszka
Clerk of the Board, San Diego County, California

Date 6/17/98 By Deputy: AGomez

No. 98-155
6/17/98 (APCB 3)
Resolution/Rule 40

AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

PROPOSED AMENDMENTS TO RULE 40
CHANGE COPY

Proposed amendments to Rule 40 are to read as follows:

RULE 40. PERMIT AND OTHER FEES

(a) AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE FEES

Every applicant for an Authority to Construct and/or a Permit to Operate or a Certificate of Registration for any article, machine, equipment or other contrivance shall pay an evaluation fee for each permit unit in the amount prescribed in Section (h), except as provided in Subsection (1) below. No application for Authority to Construct or Permit to Operate or Certificate of Registration shall be considered received unless accompanied with the appropriate fee. If a permit applicant certifies to the Air Pollution Control Officer's satisfaction through declaration that it is unable to pay either the full fixed fee for fixed fee applications or the estimated application and first year renewal costs for time and material applications, the District may authorize the applicant to divide the cost into two payments with the second payment due not later than 90 days after filing of the Applica-tion for Authority to Construct or Permit to Operate or Certificate of Registration. The applicant will be required to pay any additional administrative costs resulting from this authorization. A $75 non-refundable base fee will be charged for each new application for an Authority to Construct, Permit to Operate or a Certificate of Registration.

For the purpose of this rule, T+M means time and material; T+RN means time and material plus renewal. ~~.~~ ; the terms "location" and "facility" mean the same as "stationary source" defined in Rule 2 unless otherwise defined by an applicable rule or regulation.

Other charges or refunds, if applicable, shall be as prescribed in Subsections ~~(2)~~ (1) through (9) ~~(8)~~ of this Section (a).

(1) Reduced Fees for Similar Fee Units at a Single Location

Every applicant for Authorities to Construct and/or Permits to Operate for a series of similar fee units submitted concurrently and located at a single location shall pay the evaluation fee as prescribed in Section (h) for the first fee unit. For each additional unit, the fee shall be based on the actual cost incurred by the District to evaluate and act on the application(s), to be determined by using the labor rates in Schedule 94, and the annual renewal fee listed in Section (h)~~.~~. The actual cost for each unit, including the annual renewal fee, shall not exceed the fee found in Column (1) of the appropriate fee schedule in Section (h) and any additional fees specified by this rule. This subsection shall only apply to the extent that ~~provided~~ each unit will be operated independently, ~~and~~ the evaluation for an Authority to Construct for the first unit can be applied to the additional units because of similarity in design and operation~~. If all~~ and each ~~units cannot~~ unit can be evaluated and inspected for a ~~Permits~~ Permit to Operate at the same time ~~the applicant shall pay a reinspection fee in accordance with Subsection (a)(7)~~. The provisions of this subsection shall not apply to Fee Schedules 3, ~~and~~ 26 and 92.

(2) Review for Compliance with Rules 20.1 through 20.10, Rules 26.0 through 26.10, Regulation X, Regulation XI, Regulation XII, federal National Emission Standards for Hazardous Air Pollutants (NESHAPs), and state Air Toxic Control Measures (ATCMs).

The actual cost incurred by the Air Pollution Control District to determine compliance with Rules 20.1 through 20.10, Rules 26.0 through 26.10, Regulation X, Regulation XI or Regulation XII, federal NESHAPSs, and state ATCMs shall be paid by the applicant, in addition to other applicable fees prescribed in this rule, if the District evaluation shows that such a determination is required. When notified that such a determination is required, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the determination. The cost shall be determined using the ~~application-related~~ labor rates specified in Schedule 94. ~~(Rev. Effective 12/17/97)~~

(3) Review for Change of Location

All applications for change of location of an existing permitted article, machine, equipment or other contrivance will be assessed the actual cost incurred by the District to evaluate the change of location, not to exceed the fee found in Column (1) of the appropriate fee schedule less the renewal fee in column (2) previously paid by the applicant. The actual cost incurred shall be determined using the ~~application-related~~ labor rates specified in Schedule 94. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

(4) Review for Compliance with Rule 51

The actual cost incurred by the Air Pollution Control District to determine compliance with Rule 51 shall be paid by the applicant in addition to other applicable fees prescribed in this rule, if the basic evaluation shows that such a determination is required. When notified that such a determination is required, the applicant shall deposit with the Air Pollution Control District the amount estimated by the District to cover the cost of the determination. The cost shall be determined using the ~~application-related~~ labor rates specified in Schedule 94.

(5) Amendments to an Authority to Construct Application

In accordance with Regulation II, an applicant may request written authorization to alter the proposed design and/or operational characteristics of a specified permit unit before work has begun on the Permit to Operate evaluation. The applicant shall pay the actual cost incurred by the District to evaluate the impact of the alteration not to exceed the value found in Column (1) of the applicable schedule of Section (h). When an additional fee is required, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the additional evaluation. The estimate and the actual cost incurred by the District shall be determined using the ~~application-related~~ labor rates specified in Schedule 94. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

A $37 processing and handling fee will be charged for each application pursuant to this Subsection (a)(5).

(6) Alteration, Operational Change or Replacement Involving an Existing Permit Unit

Every applicant for an Authority to Construct and/or Permit to Operate involving the alteration of, an addition to, or a change in the permit conditions of any existing article, machine, equipment or other contrivance for which a Permit to Operate has been issued, shall deposit with the Air Pollution Control District the amount estimated to cover the cost of the evaluation. The estimate and the actual cost shall be determined by using the ~~application-related~~ labor rates specified in Schedule 94, not to exceed the value found in Column (1) of the applicable schedule of Section (h).

Replacement of non-identical permit units subject to fixed fees shall be charged the initial fee in Column (1) less Column (2) of the applicable schedule in Section (h), if there is a current permit on the equipment to be replaced. If the non-identical replacement involves an

increase in renewal fees due to increased quantity or size, the applicant shall pay the incremental increase in the renewal fee. The increase shall be prorated from the effective date of the revised Permit to Operate until the renewal date established for the original equipment. In addition, fees as specified in Subsections (a)(2) and (4) shall be paid if appropriate.

A $37 processing and handling fee will be charged for each application pursuant to this Subsection (a)(6).

~~This subsection shall not apply where an entire permit unit is replaced or renovated.~~

(7) Reinspection Fees

If, during an inspection for a Permit to Operate, a permit unit cannot be evaluated, due to circumstances beyond the control of the Air Pollution Control District, the applicant shall pay the actual cost of a reinspection. The cost shall be determined using the ~~application-related~~ labor rates specified in Schedule 94.

(8) Refunds, Forfeitures and Insufficient Payment of Fees

If an applicant withdraws an application before an engineering evaluation has been started, a full refund, less ~~a $37 processing and handling~~ the $75 base fee, shall be made to the applicant upon request.

If an Authority to Construct is denied or cancelled, or if an applicant withdraws an application, the Air Pollution Control District shall refund to the applicant, upon request, so much of the balance remaining of the Authority to Construct and Permit to Operate application fees paid as are in excess of the actual costs and time and materials charges incurred by the Air Pollution Control District prior to the denial, cancellation or withdrawal of the application. The actual costs and time and materials charges incurred shall be based upon the ~~application-related~~ labor rates specified in Schedule 94.

A full refund of fees paid in conjunction with an application for an Authority to Construct and/or Permit to Operate shall be made to the applicant if the article, machine, equipment or other contrivance stated on the application does not come within the purview of state law or these Rules and Regulations.

If the actual cost incurred by the Air Pollution Control District in Subsections (a)(2), (4), (5), (6) and (7) and the applicable ~~time and material (T+M)~~ portions of Section (h) is less than the amount deposited, the difference shall be refundable to the applicant. If any deposit is insufficient to pay all actual costs, the applicant shall pay an amount deemed sufficient by the Air Pollution Control Officer to complete the work in progress. If the applicant fails or refuses to pay such amount upon demand, the Air Pollution Control District may recover the same by action in any court of competent jurisdiction. Until such amount is paid in full, the Air Pollution Control District shall not further process the Authority to Construct application unless the Air Pollution Control Officer determines that it is in the best interest of all parties concerned to proceed. The Air Pollution Control Officer shall cancel an application when an applicant fails or refuses to pay such amount within 45 days of demand or fails or refuses to pay such amount by the date that Rule 18 requires action be taken on the application, whichever date is sooner. ~~(Rev. Effective 12/17/97)~~

Where fees were submitted in accordance with Subsection (a)(1) and the applicant is entitled to a refund, the refund for additional units is equal to the annual renewal fee.

An applicant may appeal, directly to the Air Pollution Control Officer, any fee based on actual costs in Subsections (a)(2), (4), (5), (6) and (7) and the applicable ~~time and material~~

(T+M) portions of Section (h). Such appeal shall be in the form of a letter and shall specifically state the basis of the appeal.

If an applicant has not applied for a refund within six months after notification has been made of eligibility for a refund, all rights to such refund shall be forfeited.

(9) Fee for Failing to Obtain a Permit

When equipment is operated, built, erected, installed, altered or replaced without the owner/operator first obtaining a required Authority to Construct, Permit to Operate or Certificate of Registration, a processing fee shall be charged equal to 150% of the applicable fee set forth in the fee schedules or the applicable fee plus $300, whichever is less. The assessment of such processing fee shall not limit the District's right to pursue any other remedy provided by law. This section shall not apply if equipment was previously exempt under Rule 11 and the exemption status changes, or if a complete application for equipment registration has been submitted, or if a Certificate of Registration has not yet been issued for pre-registered equipment.

(b) **ANNUAL RENEWAL FEES**

An annual renewal fee shall be paid in the amount prescribed in Section (h) by any person who is required to apply for annual renewal of a permit or temporary authorization to operate pursuant to Rule 10(h) or Certificate of Registration pursuant to Rules 12 or 12.1. A $32 fee per site and $21 fee per permit shall be paid for processing and handling of each annual renewal of a permit or temporary authorization to operate.

(1) In order to effect a staggered renewal schedule as authorized by Rule 10(h), Permits to Operate or Certificates of Registration may be issued or renewed for periods less than twelve months in increments of one month. When the renewal date is changed the renewal fee shall be prorated.

(2) If a permittee certifies to the Air Pollution Control Officer's satisfaction through declaration that payment in full of permit to operate renewal fees would result in undue financial hardship, the District may negotiate an amended fee payment schedule, provided that the amended schedule includes reimbursing the District for any increased costs of processing the extra payments. Failure to make any payments by any negotiated due date may result in penalties as otherwise authorized in Rule 40 and/or cancellation of the permit.

(3) If the Air Pollution Control Officer finds that the activities of any one company would cause an increase of at least ten percent in any specific fee schedule, the Air Pollution Control Officer may delete the cost incurred as a result of that company from the cost data used to determine the fee schedule. A specific fee schedule for the company shall be developed, in this case, to recover the District cost in connection with that company's activities. The specific fee schedule developed in this case shall be submitted to the Air Pollution Control Board for consideration and adoption.

(4) If the Air Pollution Control Officer determines that a person has under-reported material usage, emissions or other information necessary for emissions inventory, and such under-reporting has led to an air contaminant emissions fee less than what would have been due if correct usage, emissions or other information had been reported, then the person shall pay the difference between the original and corrected air contaminant emissions fee plus a charge equal to 30 percent of the difference. Such charge shall not apply if the permittee demonstrates to the Air Pollution Control Officer's satisfaction that the under-reporting was the result of inadvertent error or omission which the permittee took all reasonable steps to avoid. If the amount due is not paid within 60 days of the due date, a late fee equal to 30

percent of the amount due shall be added, and an additional 10 percent added for each subsequent calendar month or portion thereof. In no case shall the late fee exceed 100 percent of the applicable fees.

(c) **TRANSFER OF PERMITS**

An applicant for the transfer of a valid, active Permit(s) to Operate or a Certificate of Registration at a single location from one person to another or for inclusion or removal of any person(s) from the Permit(s) to Operate or a Certificate of Registration shall pay a fee of ~~$35~~ $37, and shall supply proof of entitlement to operate provided no alteration, addition, or change in location has been made to the permit item on the application.

If, after an Authority to Construct has been issued and before a Permit to Operate has been granted, another person is designated to be the permittee, that person shall submit an application for Permit to Operate and pay the refundable portion of the initial application fee as determined from Subsection (a)(8) provided that construction will be made in accordance with the Authority to Construct that was previously issued.

(d) **RESERVED**

(e) **RENEWAL OF AN EXPIRED PERMIT TO OPERATE AND REINSTATEMENT OF A RETIRED PERMIT TO OPERATE**

(1) Renewal of an Expired Permit to Operate

An applicant for renewal of a Permit to Operate which has expired because of nonpayment of an annual renewal fee shall pay the applicable annual renewal fee as prescribed in Section (h) plus the following late fees if the permit is renewed more than 30 days after the permit expiration date:

(i) 30 percent of the applicable annual renewal fee, not to exceed $250 beginning the calendar month following the expiration date; and

(ii) 10 percent of the annual renewal fee for each additional calendar month, or portion thereof, until the date the application for renewal is received by the District.

The provisions of this Section (e) are only applicable within the six-month period specified in Rule 10(h) of these Rules and Regulations. Any Permit to Operate not renewed within six months of the date the Permit to Operate expired will be retired.

(2) Reinstatement of a Retired Permit to Operate

An applicant for reinstatement of a retired Permit to Operate may request reinstatement within the first six (6) months of retirement by:

(i) Providing the District with a written request to reinstate the retired Permit to Operate.

(ii) Pay an administrative fee in the amount of ~~$35~~ $37.

(iii) Pay the prescribed ~~late~~ fees as specified in (1) above. In no case shall the late fee exceed 100 percent of the applicable fees.

The applicant shall also pay any relocation, transfer of Permit to Operate, or other fees that may be applicable.

(f) REQUEST FOR A DUPLICATE

A fee of $11 shall be charged for a duplicate of a Permit to Operate or a Certificate of Registration.

(g) NEW OR MODIFIED POWER PLANTS

The Air Pollution Control Officer, pursuant to Section 25538 of the Public Resources Code, shall apply for reimbursement of all costs, including lost fees, incurred in order to comply with the provisions of Rule 20.5, Power Plants. Costs shall be determined in accordance with the applicable provisions of this rule.

(h) EVALUATION FEE SCHEDULES

Pursuant to Sections (a), (b), (c) and/or (h), fees for evaluation of Authority to Construct, Permit(s) to Operate or Certificate of Registration shall be determined from the fee schedules and Section (r), related emissions fee. Column (1) of the fee schedules is the per unit fee for Authority to Construct, Permit to Operate or Certificate of Registration and the first year's District enforcement after equipment operation is authorized by the District; Column (2) is the annual Permit to Operate or Certificate of Registration per unit renewal fee, and is also applicable to any article, machine, equipment or other contrivance operating pursuant to a temporary authorization to operate, based on the effective date of the first temporary authorization to operate, unless an alternative date is agreed to by the applicant and the Air Pollution Control Officer. Pursuant to Section (r), the appropriate air contaminant emissions fee shall be determined for each permitted stationary source. This fee shall be added to and paid concurrent with the Column (1) fees for new permitted stationary sources, and the Column 2 fees for existing permitted stationary sources, and the aggregate of such fees in addition to fees specified in Sections (a) through (g) shall constitute the total fee to be paid for evaluation of Authority to Construct and Permit(s) to Operate.

Where a fee is for equipment not specified in the fee schedules, the fees will be determined on a case-by-case basis as specified in the miscellaneous fee schedule, Schedule 91. Where an initial Authority to Construct and Permit to Operate fee is not specified in Column (1) of the schedules, the fee shall be the sum of the annual per unit renewal fee specified in Column (2) and the actual Authority to Construct and Permit to Operate evaluation cost determined using the ~~application-related~~ labor rates specified in Schedule 94. Where an annual per unit renewal fee is not specified in Column (2) of the schedules, the fee shall be the sum of the cost determined using the ~~permit-related~~ labor rates in Schedule 94 plus the air contaminant emissions fee based on Section (r).

(i) RESERVED

(j) TOXIC AIR CONTAMINANTS FEE

The owner or operator of a permitted source which emits toxic air contaminants as identified pursuant to the procedures set forth in Sections 39660, 39661, and 39662 of the Health and Safety Code, shall pay an annual fee to the District to cover the anticipated costs of funding District activities mandated by Section 39666 of the Health and Safety Code. The amount of the fee shall be determined on the basis of Time and Materials ~~full cost~~ labor rates in accordance with Schedule 94 of this Rule.

(k) AIR POLLUTION EMERGENCY EPISODE PLAN FEE

The owner or operator of a facility for which a plan or plan update is required pursuant to Regulation VIII of the Rules and Regulations of the Air Pollution Control District shall pay to the District a fee of $142 for the evaluation of each plan or plan update for each facility.

The fees required by this rule shall be due at the time the plan is required pursuant to Regulation VIII of the Rules and Regulations of the Air Pollution Control District. If the appropriate fee is not paid within 60 days of the due date, a late fee equal to 30 percent of the applicable fee shall be added. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month, or portion thereof.

(l) ASBESTOS DEMOLITION OR RENOVATION OPERATION PLAN

The owner or operator of a demolition or renovation operation to which Regulation XI Subpart M (NESHAPS) of the Rules and Regulations of the Air Pollution Control District apply, shall pay to the District a fee of $175 for the evaluation of each required plan (Notice of Intention) to demolish or renovate and $35 for each revision thereof. A fee of $37 shall be paid with each notification for demolition where no asbestos is reported present. The owner/ operator of an emergency demolition or renovation as defined in Regulation XI Subpart M, Rule 361.141, shall pay to the District a fee of $250 for the evaluation of each required plan (Notice of Intention) to demolish or renovate.

The fees required by this rule shall be due at the time the asbestos control plan is received pursuant to Regulation XI Subpart M (NESHAPS). Plans or revisions thereof will not be considered received unless accompanied with the required fees ~~fee~~.

(m) AIR TOXICS "HOT SPOTS" PROGRAM

The owner or operator of a facility who has been identified by the District as being subject to the requirements of Health and Safety Code Section 44300 et seq. (the Air Toxics "Hot Spots" Information and Assessment Act), shall pay all applicable fees, as specified below, to the District within 60 days of receipt of notice by the District of required fees. Failure to submit the fees within 60 days of the notice will result in a late fee equal to 30 percent of the applicable fees, not to exceed $250. An additional late fee of 10 percent of the applicable fees shall be added for each subsequent calendar month, or portion thereof, the payment of fees is late. In no case shall the late fee exceed 100 percent of the applicable fees.

(1) Each facility owner or operator shall pay an annual District Air Toxics "Hot Spots" program fee as follows:

Facility Type	Annual Fee ($) / Facility	
Complex Facilities	~~$3533~~	$3785
Intermediate Facilities	~~$1449~~	$1559
Simple II Facilities	~~$ 741~~	$ 795
Simple I Facilities	~~$ 388~~	$ 417
Tracking Facilities	$ 50	
Industry-wide Survey Facilities	$ 30	

For the purposes of this section:

(i) Complex facilities are those facilities determined by the District as consisting of more than five different toxic air contaminant emitting processes.

(ii) Intermediate facilities are those facilities determined by the District as consisting of three, four, or five different toxic air contaminant emitting processes.

(iii) Simple II facilities are those facilities determined by the District as consisting of two different toxic air contaminant emitting processes.

(iv) Simple I facilities are those facilities determined by the District as consisting of one toxic air contaminant emitting process.

(v) Tracking facilities are those facilities determined by the District to meet the criteria in Health and Safety Code Section 44344.4, Subsection (b) or which qualify as a "tracking facility" as defined in California Code of Regulations, Title 17, Section 90701, Subsection (ah).

~~(v)~~ (vi) Industry-wide survey facilities are those facilities identified by the District as subject to the requirements of the Air Toxics "Hot Spots" program and having received an "Industry-wide Emissions Inventory Form" from the District.

2) The owner or operator of a facility determined by the District~~, on or before June 30, 1997,~~ to meet the criteria in Health and Safety Code Section 44344.4, Subsection (a), or ~~a facility~~ which qualifies for exclusion from the Air Resources Board (ARB) Fee Schedule pursuant to California Code of Regulations, Title 17, Section 90702, Subsection (c)(2) shall be exempt from fees required by this Section (m). ~~, or a "tracking facility" as defined in California Code of Regulations, Title 17, Section 90701, subsection (ag) shall pay a program fee for FY 1996-97 equal to one-half of the otherwise applicable fee specified in Subsection (m)(1) of this rule. This provision shall not apply to a facility that has been required to submit, or has opted to submit, a public health risk assessment or updated public health risk assessment under the District Air Toxics "Hot Spots" program on or after July 1, 1996.~~

(3) The owner or operator of a facility identified by the District as subject to any of the following site-specific program requirements shall pay an annual site-specific program fee in addition to the annual fee specified in Subsection (m)(1).

(i) Toxic air contaminant emissions source testing when necessary to determine emissions for inclusion in a toxic air contaminant emissions inventory.

(ii) Public health risk assessment or updated public health risk assessment pursuant to Health and Safety Code Section 44360 et seq. or Rule 1210 of these Rules and Regulations.

(iii) Public notification of public health risks pursuant to Health and Safety Code Section 44362 or Rule 1210 of these Rules and Regulations.

(iv) Facility toxic air contaminant risk reduction audit and plan pursuant to Health and Safety Code Section 44390 or Rule 1210 of these Rules and Regulations.

The amount of the site-specific program fee shall be equal to the actual costs incurred by the District associated with the site-specific program requirements for each affected facility. The costs shall be determined using the ~~full cost~~ labor rates specified in Schedule 94 of this rule ~~and the Air Toxics "Hot Spots" program multipliers of 1.044~~.

(4) In addition to the fees specified in Subsections (m)(1), (2) and (3), the owner or operator of a facility subject to the requirements of Health and Safety Code Section 44300 et. seq. shall pay an annual fee for the recovery of State program costs. The amount of the annual State program fee for each facility~~, facility type, or relevant facility category~~ shall be ~~determined by the District~~ that specified by the ARB in accordance with the ~~procedures and methodology used to develop the~~ State Air Toxics Hot Spots Fee Regulation ~~approved by the Air Resources Board and~~ contained in Title 17, California Code of Regulations, Section 90700 et. seq.

(n) **RESERVED**

(o) CALIFORNIA CLEAN AIR ACT

The owner or operator of a stationary source who is required by Title 17, California Code of Regulations, Section 90800 et seq. to pay a fee adopted by the Air Resources Board shall pay the required fee to the District within 60 days of receipt of the notice. Failure to submit the fee within 60 days of the notice will result in a late fee equal to 30 percent of the applicable fee. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month. In no case shall the late fee exceed 100 percent of the fee.

(p) COOLING TOWER FEES

The owner or operator of any stationary source for which a plan is required pursuant to Rule 1202 of the Rules and Regulations of the Air Pollution Control District shall pay to the District a fee of $37 for the evaluation of each plan as well as $21 for each cooling tower described in the plan.

The fees required by this rule shall be due at the time the plan is received. If the appropriate fee is not paid within 60 days of the due date, a late fee equal to 30 percent of the applicable fee shall be added to the plan review fee. An additional late fee of 10 percent of the applicable fee shall be added for each subsequent calendar month, or portion thereof.

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to collect a sample(s) of the cooling tower circulating water for offsite analysis, the cost of analysis shall be paid by the source. The cost shall be equal to the cost determined by using the ~~full cost~~ labor rates specified in Schedules 94 and the actual cost of collection and analysis of the sample(s).

(q) CERTIFICATION OF EQUIPMENT

Every applicant who applies for certification of equipment shall deposit with the Air Pollution Control District the amount estimated to cover the cost of review and certification. The estimate and the actual cost shall be determined by using ~~application-related~~ labor rates specified in Schedule 94.

(r) AIR CONTAMINANT EMISSIONS FEE

The Air Contaminant Emissions Fee is a single, source-specific fee collected simultaneously with, and considered a part of the per unit application fee(s) from Column (1) of the fee schedules, for the first Permit(s) to Operate at new permitted or registered stationary sources, and the annual renewal per unit fee(s) from Column (2) for existing permitted or registered stationary sources, as specified in Section (h). Except as otherwise provided in this section, no air contaminant emissions fee shall be collected simultaneously with or be considered a part of the application fee for the addition of units to an existing permitted or registered stationary source that has paid an air contaminant emissions fee as part of the most recent renewal of the current Permit(s) to Operate.

For the purposes of this section, the definitions in Rule 20.1 apply. This section applies to both existing and new stationary sources. For new stationary sources, the District shall determine the applicability of Subsections (1) or (2) based upon actual expected air contaminant emissions from the stationary source as estimated by the District, for the calendar year in which the permit to operate for the source is issued. If the actual expected air contaminant emissions of carbon monoxide, oxides of nitrogen, oxides of sulfur, particulate matter (PM_{10}) or volatile organic compounds (VOC) equal or exceed 10 tons for that calendar year, the air contaminant emissions fee shall be based on such expected emissions. This initial fee shall continue until revised to reflect District approved emissions inventory data when such data is available for the stationary source.

(1) The owner or operator of a stationary source from which the emissions of either carbon monoxide, oxides of nitrogen, oxides of sulfur, ~~particulate matter~~ (PM_{10}) and ~~volatile organic compounds~~ VOCs equal or exceed 10 tons in the calendar year for which the most recent District approved emissions inventory data exists shall pay a source-specific annual air contaminant emissions fee. The amount of the fee shall be based on the aggregate emissions of carbon monoxide, oxides of nitrogen, oxides of sulfur, ~~particulate matter~~ (PM_{10}) and ~~volatile organic compounds~~ VOCs from the stationary source in the calendar year for which the most recent District approved emissions inventory data exists, and an air contaminant emissions fee rate of ~~$69~~ $82 per ton.

(2) The owner or operator of a stationary source that is not subject to the source-specific annual air contaminant emissions fee prescribed in Subsection (1) above, shall pay an annual source category emissions fee. The amount of the fee shall be as follows, based on the fee schedule that is most representative of the nature of the activities at the stationary source:

Source Category Description	Fee Schedule	Annual Emissions Fee
VOC dispensing facility - Phase I and Phase II controls required	26(a)	~~$8~~ $9 per dispensing nozzle
Contract service remote reservoir cleaners with 100 or more units	28(k)	$4.6 per cleaning unit
Industrial surface coating/adhesives applications (5 or more tons/year)	27(e)	~~$345~~ $410
Metal parts and aerospace coating applications (5 or more tons/year)	27(k)	~~$345~~ $410
Wood product coating applications w/o controls (5 or more tons/year)	27(m)	~~$345~~ $410
Automotive painting operations (applying more than 5 gallons/day)	27(s)	~~$207~~ $246
Adhesive Application Operations (5 or more tons/year)	27(v)	$394
All other stationary sources	various	~~$ 34~~ $ 41

Where more than one source category description or fee schedule applies, and it cannot be determined which is most representative of the nature of the activities at a stationary source, the single source category description or fee schedule that results in the maximum annual emissions fee shall apply for purposes of this section.

(s) TITLE V OPERATING PERMIT FEES

The owner or operator of a stationary source for which a federal operating permit is required pursuant to Regulation XIV (Title V Operating Permits) of these Rules and Regulations shall pay a fee sufficient to recover the actual costs incurred by the Air Pollution Control District to review, evaluate and act upon applications for enhanced Authorities to Construct initial permits, permit amendments, permit modifications, permit revisions, permit reopening and permit renewals. The costs shall be determined using the ~~application-related~~ labor rates specified in Schedule 94, except that the costs associated with annual permit renewals shall be determined using the ~~permit-related~~ labor rates specified in Schedule 94. When required to apply for an initial Title V permit pursuant to Regulation XIV, the owner or operator of a stationary source shall pay an additional base fee of $2200 for each stationary source, plus the cost recovery fee specified above.

The Title V operating permit fee shall be in addition to other applicable fees prescribed in this rule. The actual costs shall be the additional costs that the Air Pollution Control Officer determines are not otherwise recovered by other applicable fees prescribed in this rule. When required to submit an application for, or regarding, a Title V operating permit, the applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of reviewing, evaluating and acting upon the application.

(t) ~~SOUTHERN CALIFORNIA OZONE STUDY DATA COLLECTION FEE~~ RESERVED

~~The Southern California Ozone Study (SCOS) Fee will fund the stationary source share of the cost of extensive data collection and analysis efforts to enhance and support the District's case that ozone transport from Los Angeles to San Diego is a major source of ozone pollution in the region. The study will be completed in Fiscal Year 97-98. This special fee will be collected from stationary sources for one year only. It will be apportioned to all stationary sources in a manner similar to the Air Contaminants Emission Fee Section (r) of this rule. At the end of the stated one year, this fee will expire.~~

~~(1) The owner or operator of a stationary source from which the emissions of either carbon monoxide, oxides of nitrogen, oxides of sulfur, particulate matter (PM_{10}) or volatile organic compounds equal or exceed 10 tons in the calendar year for which the most recent District approved emissions inventory data exists shall pay a source-specific SCOS Fee. The amount of the fee shall be based on the aggregate emissions of carbon monoxide, oxides of nitrogen, oxides of sulfur, particulate matter (PM_{10}) and volatile organic compounds from the stationary source in the calendar year for which the most recent District approved emissions inventory data exists, at a rate of $23 per ton/per year for one year.~~

~~(2) The owner or operator of a stationary source that is not subject to the source-specific SCOS fee prescribed in Subsection (1) above shall pay a SCOS fee based on the following fee schedule for a period of one year. Sources will pay the fee based on the source category description that is most representative of the nature of the activities at the stationary source:~~

~~Source Category Description~~	~~Fee Schedule~~	~~SCOS Fee (one year only)~~
~~VOC dispensing facility - Phase I and Phase II controls required~~	~~26(a)~~	~~$3 per dispensing nozzle~~
~~Contract service remote reservoir cleaners with 100 or more units~~	~~28(k)~~	~~$1.60 per cleaning unit~~
~~Industrial surface coating/adhesives applications (5 or more tons/year)~~	~~27(e)~~	~~$113~~
~~Metal parts and aerospace coating applications (5 or more tons/year)~~	~~27(k)~~	~~$113~~
~~Wood product coating applications w/o controls (5 or more tons/year)~~	~~27(m)~~	~~$113~~
~~Automotive painting operations (applying more than 5 gallons/day)~~	~~27(s)~~	~~$ 68~~
~~All other stationary sources~~	~~various~~	~~$ 11~~

~~Where more than one source category description or fee schedule applies, and it cannot be determined which is most representative of the nature of the activities at a stationary source, the single source category description or fee schedule that results in the maximum SCOS fee shall apply for purposes of this section.~~

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GAS TURBINE, TURBOSHAFT, TURBOJET & TURBOFAN ENGINE TEST CELLS AND STANDS

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SCHEDULE 20: continued

GAS TURBINE ENGINES

(d) Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input
(e) Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input
(f) Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input
(g) Unit used solely for Peak Load Electric Generation
(h) Standby Gas Turbines used for Emergency Power Generation

SCHEDULE 21: Waste Disposal and Reclamation Units

(a) Paper or Wood Shredder or Hammermill Grinder
(b) Metal Shredder
(c) Garbage and Refuse Shredder
(d) Air Classifier
(e) Dryer

SCHEDULE 22: Feed and Grain Mills and Kelp Processing Plants

(a) Receiving System (includes Silos)
(b) Grinder, Cracker, or Roll Mill
(c) Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill
(d) Mixer System
(e) Truck or Rail Loading System
(z) Kelco: Feed Receiving Systems (Silos) (98-99 Only)
Shaker, Screen, Pellitizer, Hammer (98-99 Only)
Mixer System (98-99 Only)

SCHEDULE 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment

(a) Receiving System (Railroad, Ship and Truck Unloading)
(b) Storage Silo System
(c) Loadout Station System
(d) Belt Transfer Station

SCHEDULE 24: Dry Chemical Mixing and Detergent Spray Towers

(a) Grain Mixing System (Includes Receiving, Transfer, Mixing or Blending, Storage, and Loadout Bagging)
(b) Detergent Spray Tower
(c) Dry Chemical Mixers with capacity over One-Half Cubic Yard

SCHEDULE 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities

PART 1 - BULK PLANTS AND BULK TERMINALS EQUIPPED WITH OR PROPOSED TO BE EQUIPPED WITH A VAPOR PROCESSOR

(a) Per Tank
(b) Tank Rim Seal Replacement
(c) Per Truck Loading Head
(d) Per Vapor Processor

PART 2 - BULK PLANTS NOT EQUIPPED WITH OR NOT PROPOSED TO BE EQUIPPED WITH A VAPOR PROCESSOR

(e) Per Tank
(f) Per Truck Loading Head
(g) RESERVED

PART 3 - FACILITIES FUELING INTERMEDIATE REFUELERS (IR) FOR SUBSEQUENT FUELING OF MOTOR VEHICLES, BOATS OR AIRCRAFT

(h) Per IR Loading Connector

SCHEDULE 26: Non-Bulk Volatile Organic Compound Dispensing Facilities Subject to District Rules 61.0 thru 61.6

(a) Phase I and Phase II Vapor Recovery Facility
(b) Replacement or Addition of Tanks at a Permitted Facility
(c) Facilities where only Phase I controls are required
(d) Addition of Nozzles at Permitted Facilities where Phase II is required
(e) Non-Retail Facilities with ~~260~~ 250-550 Gallon Tanks and no other Non-Bulk Gasoline Dispensing Permits
(f) Phase II Bootless or Mini-Booted Nozzles Vacuum Assist Systems Facility

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))

PART 1 - MARINE COATINGS

(t) Marine Coating Application at Facilities where combined coating, ~~adhesive~~ and cleaning solvents usage is < 3 gallons/day ~~per day~~ and <100 gallons/year ~~per year~~
(a) Marine Coating Application at Facilities emitting < 10 tons/year ~~Organic Compounds~~ of VOC from Marine Coating Operations
(b) Marine Coating Application at Facilities emitting ≥ 10 ~~or more~~ tons/year ~~Organic Compounds~~ of VOC from Marine Coating Operations
(c) Each additional Marine Coating Permit Unit

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS and MANUFACTURING

(d) Surface Coating ~~or Adhesive~~ Application Station using > 1 gallon/day without Control Equipment and not covered by other Fee Schedules at Facilities emitting < 5 tons/year

SCHEDULE 27 - PART 2: continued:

(e) Surface Coating ~~or Adhesive~~ Application Station without Control Equipment and not covered by other Fee Schedules at Facilities emitting ≥ 5 ~~or more~~ tons/year
(f) Fiberglass, Plastic or Foam Product Process Line at Facilities emitting < 10 tons/year from these types of Operations
(g) Fiberglass, Plastic or Foam Product Process Line at Facilities emitting ≥ 10 ~~or more~~ tons/year from these types of Operations
(h) RESERVED
(i) Surface Coating Application Station requiring Control Equipment
(j) Surface Coating Application Station Subject to Rules 67.3 or 67.9 without Control Equipment at Facilities emitting < 5 tons/year
(k) Surface Coating Application Station Subject to Rules 67.3 or 67.9 without Control Equipment at Facilities emitting ≥ 5 ~~or more~~ tons/year
(l) Wood Products Coating Application Station without Control Equipment at ~~a Facility~~ Facilities emitting < 5 tons/year and using > 500 gallons/year
(m) Wood Products Coating Application Station without Control Equipment at ~~a Facility~~ Facilities emitting ≥ 5 ~~or more~~ tons/year
(n) Press or Operation at a Printing or Graphic Arts Facility Subject to Rule 67.16
(o) Union Tribune Publishing Graphic Arts Operation
(p) Surface Coating ~~or Adhesive~~ Application Station without Control Equipment where combined coating~~, adhesive,~~ and cleaning solvent usage is < 1 gallon/day ~~per day~~ or ≤ 50 gallons/year ~~per year~~
(q) Wood Products Coating Application Station without Control Equipment at ~~a Facility~~ Facilities using ≤ 500 gallons/year ~~or less per year~~

PART 3 - AUTOMOTIVE PAINTING

(r) Facility applying < 5 gallons/day ~~or less~~ of Coating Materials Subject to Rule 67.20 (as applied or sprayed) ~~Per Day~~
(s) Facility applying ~~more than~~ ≥ 5 gallons/day of Coating Materials Subject to Rule 67.20 (as applied or sprayed) ~~Per Day~~

PART 4 - ADHESIVE MATERIALS APPLICATION OPERATIONS

(u) Adhesive Materials Application Station without Control Equipment at Facilities emitting < 5 tons/year of VOC
(v) Adhesive Materials Application Station without Control Equipment at facilities emitting ≥ 5 tons/year of VOC
(w) Adhesive Materials Application Station without Control Equipment using < 55 gallons/year of Adhesive Materials

SCHEDULE 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks

(a) Vapor Degreaser (> 5 sq. ft.)
(b) Cold Solvent Degreaser (> 5 sq. ft.)
(c) Corrosion Control Carts
(d) Paint Stripping Tanks
(e) Vapor Phase Solder Reflow Unit
(f) Remote Reservoir Cleaners
(g) ~~Coating Application Equipment Cleaners~~ RESERVED
(h) Vapor Degreaser (< 5 sq. ft)
(i) Cold Solvent Degreaser (< 5 sq. ft)
(j) Metal Inspection Tanks
(k) Contract Service Remote Reservoir Cleaners
(l) Small Contract Service Cold Degreasers (< 5 sq. ft)
(m) Facility-Wide Solvent Application Operations
(n) ~~Contract Services Coating Application Equipment Cleaners~~ RESERVED

SCHEDULE 29: Solder Levelers and Hydrosqueegees

SCHEDULE 30: Kelp and Biogum Products Solvent Dryer

SCHEDULE 31: Dry Cleaning Facilities

(a) Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment
(b) Facility using Petroleum Based Solvents
(c) Facility using Solvents not required to install Control Equipment
(d) RESERVED

SCHEDULE 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing

(a) Copper Etching Tank
(b) Acid Chemical Milling Tank
(c) Hot Dip Galvanizing Tank
(z) Herco: Copper Etching Tank (98-99 Only)

SCHEDULE 33: Can and Coil Manufacturing and Coating Operations

(a) Process Line Applying ≥1000 Gallons/Year ~~or More Per Year~~
(b) Research and Development Coil Coating Line
(c) Process Line Applying <1000 Gallons Per Year
(z) Napp: Process Line Applying >1000 Gallons/Year (98-99 Only)

SCHEDULE 34: Piston Type Internal Combustion Engines

(a) Cogeneration Engine with In-Stack Emission Controls
(b) Cogeneration Engine with Engine Design Emission Controls
(c) Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee
(d) Engine for Non-Emergency and Non-Cogeneration Operation
(e) Grouping of Engines (≥ 200 Horsepower) for Dredging or Crane Operation
(f) Diesel Pile-Driving Hammer
(g) Engine for Non-Emergency and Non-Cogeneration Operation (< 200 Horsepower)
(w) Specific Eligible Engines, Registration Under Rule 12
(x) Specific Eligible Portable Engines, Registration Under Rule 12.1
(z) Specific Eligible Engines, Registration Under Rule 12, Conversion from Valid Permit

SCHEDULE 35: Bulk Flour, Powered Sugar and Dry Chemical Storage System

SCHEDULE 36: Grinding Booths and Rooms

SCHEDULE 37: Plasma Electric and Ceramic Deposition Spray Booths

SCHEDULE 38: Paint, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing

(a) Paint, Stain or Ink Manufacturing Lines Producing ≥10,000 Gallons
(b) Can Filling Lines
(c) Each Process Line for Solder Paste or Dielectric Paste Manufacturing
(d) Paint, Stain or Ink Manufacturing Lines Producing <10,000 Gallons

SCHEDULE 39: Precious Metals Refining

SCHEDULE 40: Asphalt Pavement Heaters/Recyclers

(a) Processor
(x) Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1

SCHEDULE 41: Perlite Processing

SCHEDULE 42: Electronic Component Manufacturing

(a) Electronic Manufacturing Operations
(b) Electronic Manufacturing Screen Printing
(c) Electronic Manufacturing Coating/Maskant Application Excluding Conformal Operations
(d) Electronic Manufacturing Conformal Coating
(e) Electronic Manufacturing Facility-wide Solvent Application
(z) Herco: Screening Printing Operations (98-99 Only)

SCHEDULE 43: Ceramic Slip Casting

SCHEDULE 44: Evaporators, Dryers, & Stills Processing Organic Materials

(a) Evaporators and Dryers
(b) Solvent Recovery Stills

SCHEDULE 45: Rubber Mixers

SCHEDULE 46: Reverse Osmosis Membrane Manufacturing

SCHEDULE 47: Organic Gas Sterilizers

(a) Organic Gas Sterilizers requiring control
(b) Stand Alone Organic Gas Aerator requiring control
(c) Organic Gas Sterilizer not requiring control
(d) Stand Alone Organic Gas Aerator not requiring control

SCHEDULE 48: Municipal Waste Storage and Processing

(a) Sanitary Landfill
(b) Temporary Storage and/or Transfer Station
(c) Landfill Gas Flare or Containment System
(d) Municipal Waste Incinerator
(e) North County Resource Recovery

SCHEDULE 49: (a) Non-Operational Status Equipment
(b) Activating Non-Operational Status Equipment

SCHEDULE 50: Coffee Roasters

SCHEDULE 51: Industrial Waste Water Treatment

(a) Processing Line - Onsite
(b) Processing Line - Offsite

SCHEDULE 52: Air Stripping and Soil Remediation Equipment

(a) Air Stripping Equipment
(b) Soil Remediation Equipment - Onsite
(c) Soil Remediation Equipment - Offsite

SCHEDULE 53: Lens Casting Equipment

(a) Lens Casting Equipment
(b) Lens Coating Equipment

SCHEDULE 54: Pharmaceutical Manufacturing

(a) Pharmaceutical Manufacturing
(b) Protein Synthesis Employing Solvents

SCHEDULE 55: Hexavalent Chromium Plating & Chromic Acid Anodizing

(a) Emissions Collection System serving one or more Plating and/or Anodizing Tank(s)
(b) Decorative Plating Tank(s) Only
(c) Hard Chrome Plating or Chromic Acid Tank

SCHEDULE 56: Sewage Treatment Facilities

(a) Sewage Treatment Facility
(b) Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility
(c) Sewage Sludge Composting Facility

SCHEDULE 57: Laundry Facilities Processing Material Containing Organic Compounds

SCHEDULE 58: Bakeries

SCHEDULE ~~58~~ 59 through 90, RESERVED

SCHEDULE 91: Miscellaneous - Hourly rates

SCHEDULE 92: Source Testing Done by the District

(a) Particulate Matter Source Test
(b) Oxides of Nitrogen Source Test
(c) Oxides of Sulfur Source Test
(d) Hydrocarbon Vapor Processor Test
(e) Observation and Reporting of Odor Panel Test
(f) Carbon Monoxide Source Test (continuous analyzer)
(g) Oxides of Nitrogen Source Test (continuous analyzer)
(h) Incinerator Particulate Matter Source Test (excluding quadrennial source test in Fee Schedule 14(a))
(i) Ammonia Slippage Source Test
(j) Continuous Emission Monitor Evaluation

SCHEDULE 92: continued

(k) Kelco: VOC Source Test
(l) VOC Outlet Source Test
(m) Mass Emissions Source Test
(n) Ethylene Oxide Test Witness
(o) Multiple Metals Source Test
(p) Chromium Source Test
(q) VOC Onsite Analysis
(r) VOC Offsite Analysis
(s) Hydrogen Sulfide Source Test
(t) Acid Gases Source Test
(z) Micellaneous Source Test (Special Tests not Listed)

SCHEDULE 93: Observations and Evaluations of Source Testing Performed by Private Companies

(a) Observations
(b) Source Test Reports
(c) Test Procedure Review

SCHEDULE 94: Time and Material (T&M) Labor Rates

SCHEDULE 95: Sampling and Analysis of Architectural Coatings

SCHEDULE 96: Additional Costs incurred by Non-Compliance Sources

SCHEDULE 97: Other Charges

FEE SCHEDULES

The following Fee Schedules do not include the Emission Fee component of the fee. To determine the total fee to be paid, add the amount in Column (1) or Column (2), as appropriate, for each permitted fee unit to the air contaminant emissions fee for the facility, based on Rule 40(r).

SCHEDULE 1: Abrasive Blasting Equipment Excluding Rooms and Booths

Any permit unit consisting of air hoses,with or without water lines, with a single pot rated at 100 pounds capacity or more of sand regardless of abrasive used, and a nozzle or nozzles. (Equipment not operated solely in Schedule 2 facilities).

Fee Unit		Initial A/C-P/O Fees (1)		Renewal (2)	
(a)	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	~~$389~~	$440	~~$ 95~~	$ 64
(b)	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	T+RN		~~$ 30~~	$ 64
(c)	Each Bulk Abrasive Blasting Material Storage System	~~$1061~~	$1059	~~$ 31~~	$ 30
(d)	Each Spent Abrasive Handling System	T+RN		~~$ 11~~	$ 88
(x)	Each Portable Abrasive Blasting Unit, Registration Under Rule 12.1	$200		$150	

SCHEDULE 2: Abrasive Blasting Cabinets, Rooms and Booths

Fee Unit		Initial Fees (1)		Renewal (2)	
(a)	Each Abrasive Blasting Cabinet, Room or Booth	~~$1169~~	$1203	~~$ 85~~	$ 98
(b)	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	T+RN		~~$ 95~~	$180

SCHEDULE 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt

Fee Unit		Initial Fees (1)		Renewal (2)	
(a)	Each Kettle or Tanker with capacity greater than 85 gallons	~~$688~~	$687	~~$ 44~~	$ 55
(b)	Each Kettle or Tanker with capacity greater than 85 gals. and requiring emission control equipment	T+RN		~~$ 86~~	$152
(w)	Each Kettle or Tanker, Registration Under Rule 12	$166		$ 44	
(z)	Each Kettle or Tanker, Registration Under Rule 12, Conversion from Valid Permit	$142		N/A	

SCHEDULE 4: Hot-Mix Asphalt Paving Batch Plant

Fee Unit	Initial Fees (1)	Renewal (2)
Each Hot-Mix Asphalt Paving Batch Plant	T+RN	~~$758~~ $602
Each Hot-Mix Asphalt Batch Plant		$534

SCHEDULE 5: Rock Drills

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Drill with water controls	~~$773~~ $803	~~$ 46~~ $ 56
(b) Each Drill with controls other than water	T+RN	~~$ 75~~ $ 60
(w) Each Drill, Registration Under Rule 12	$166	$ 44
(z) Each Drill, Registration Under Rule 12, Conversion from Valid Permit	$142	N/A

SCHEDULE 6: Sand, Rock, and Aggregate Screens and other screening operations, when not used in conjunction with other Permit Items in these Schedules

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Screen Set	~~$1189~~ $1155	~~$128~~ $140
(x) Each Portable Sand and Gravel Screen Set, Registration Under Rule 12.1	$200	$150
(z) Each Screen Set (98-99 only)		$216

SCHEDULE 7: Sand, Rock, and Aggregate Plants

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line).	T+RN	~~$209~~ $477
(b) Each Screening System (involves all screens serving a given primary or secondary crusher system).	T+RN	~~$ 39~~ $ 70
(c) Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time).	T+RN	~~$ 55~~ $ 30
(d) Each Aggregate Dryer System	T+RN	~~$ 19~~ $ 8
(x) Each Portable Rock Crushing System, Registration Under Rule 12.1	$200	$150
(y) Each Crusher System (98-99 only)		$215
(z) Each Screening System (98-99 only)		$233

SCHEDULE 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems

Fee Unit		Initial Fees (1)	Renewal (2)	
(a)	Each Concrete Batch Plant (including Cement-Treated Base Plants)	T+RN	~~$200~~	$220
(b)	Each Mixer over One Cubic Yard Capacity	T+RN	~~$ 74~~	$ 57
(c)	Each Cement or Fly Ash Silo System not part of another System requiring a Permit	T+RN	~~$ 91~~	$ 96
(x)	Each Portable Concrete Batch Plant, Registration Under Rule 12.1	$200	$150	
(z)	Each Concrete Batch Plant (98-99 only)		$165	

SCHEDULE 9: Concrete Product Manufacturing Plants

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Plant	T+RN	~~$143~~	$131

SCHEDULE 10: Brick Manufacturing Plants

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Clay Batching and Extruding System	T+RN	T+M
(b)	Each Crusher-Screen System	T+RN	T+M
(c)	Each Kiln	T+RN	T+M

SCHEDULE 11: Tire Buffers

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Buffer	T+RN	~~$ 39~~	$108

SCHEDULE 12: Fish Canneries and Smoke Houses

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Dryer (Meal Drying and Grinding System)	T+RN	T+M
(b)	Each Precooker	T+RN	T+M
(c)	Each Vat and Vibrating Screen System	T+RN	T+M
(d)	Each Scrap Cooker and Grinder System	T+RN	T+M
(e)	Each Cooker	T+RN	T+M
(f)	Each Dry Pet Food Processing System	T+RN	T+M
(g)	Each Digester Tank	T+RN	T+M
(h)	Each Smoke House	T+RN	~~$ 91~~ $142
(i)	Each Loadout System	T+RN	T+M

SCHEDULE 13: Boilers and Heaters

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input.	~~$1399~~ $1584	~~$ 121~~ $141
(b)	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	T+RN	~~$ 246~~ $278
(c)	Each 250 MM BTU/HR up to 1050 MM BTU/HR input or up to but not including 100 Megawatt gross output whichever is greater (based on an average boiler efficiency of 32.5%).	T+RN	T+M
(d)	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)	T+RN	~~$1776~~ $2228
(e)	RESERVED		
(f)	Each Unit 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located.	~~$1199~~ $1363	~~$ 16~~ $ 26
(g)	Each 250 MM BTU/HR up to 1050 MM BTU/HR input or up to but not including 100 Megawatt gross output, whichever is greater, where a Notice of Intention has been filed with the California Energy Commission.	T+RN	T+M
(h)	Each 100 Megawatt gross output or greater where a Notice of Intention has been filed with the California Energy Commission	T+RN	T+M

SCHEDULE 14: Non-Municipal Incinerators

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Waste burning capacity up to & including100 lbs/hr*.	T+RN	~~$1891~~ $1613
(b)	Waste burning capacity greater than 100 lbs/hr.	T+RN	~~$ 531~~ $ 358
(c)	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals.	T+RN	~~$ 213~~ $ 256
(d)	Emission Controls or Modification for ATCM	T+RN	N/A

*Excluding incinerators of 50 lbs/hr capacity or less used exclusively for incineration or cremation of animals. Renewal fee for 14(a) includes quadrennial incinerator particulate matter source test costs.

SCHEDULE 15: Burn-Out Ovens

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Electric Motor/Armature Refurbishing Oven	T+RN	~~$ 73~~ $ 94
(b)	Each Wire Reclamation Oven	T+RN	T+M
(c)	Each IC Engine Parts Refurbishing Unit	T+RN	~~$ 48~~ $ 56
(z)	Navy: Burn Out IC Engine Parts (98-99 Only)		$7917

SCHEDULE 16: Core and Plastics Annealing/Softening Ovens

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Core Oven	T+RN	~~$ 98~~ $216
(b)	Each Plastic Annealing/Softening Ovens	T+RN	T+M

SCHEDULE 17: Brake Debonders

Fee Unit	Initial Fees (1)	Renewal (2)
Each Brake Debonder	T+RN	T+M

SCHEDULE 18: Metal Melting Devices

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sweat Furnace	T+RN	T+M
(b)	Each Electric Arc Furnace	T+RN	T+M
(c)	Each Pit or Stationary Crucible	T+RN	~~$131~~ $126
(d)	Each Pot Furnace	T+RN	~~$ 60~~ $ 99
(e)	Each Induction Furnace	T+RN	~~$115~~ $131
(f)	Each Cupola	T+RN	T+M
(g)	Each Reverberatory Furnace	T+RN	T+M
(h)	Brass Metal Melting Furnace - U.S. Navy	T+RN	T+M
(z)	Navy: Metal Induction Furnace (98-99 Only)		$7179

SCHEDULE 19: Oil Quenching and Salt Baths

Fee Unit	Initial Fees (1)	Renewal (2)
Each Tank	T+RN	~~$ 74~~ $ 67

SCHEDULE 20: Gas Turbine Engines, Test Cells and Test Stands

Fee Unit		Initial Fees (1)	Renewal (2)
GAS TURBINE, TURBOSHAFT, TURBOJET AND TURBOFAN ENGINE TEST CELLS AND STANDS			
(a)	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	T+RN	~~$ 365~~ $ 344
(b)	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	T+RN	~~$ 85~~ $ 110
(c)	Each Non-Aircraft Turbine Test Cell or Stand	T+RN	~~$ 74~~ $ 35
GAS TURBINE ENGINES			
(d)	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	T+RN	~~$ 216~~ $ 303
(e)	Each Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input	T+RN	~~$ 600~~ $1709
(f)	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	T+RN	~~$ 271~~ $1044
(g)	Each Unit used solely for Peak Load Electric Generation	T+RN	~~$ 55~~ $ 108
(h)	Each Standby Gas Turbine used for Emergency Power Generation	T+RN	~~$ 26~~ $ 34

SCHEDULE 21: Waste Disposal and Reclamation Units

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Paper or Wood Shredder or Hammermill Grinder	T+RN	~~$138~~ $307
(b)	Each Metal Shredder	T+RN	T+M
(c)	Each Garbage & Refuse Shredder	T+RN	T+M
(d)	Each Air Classifier	T+RN	T+M
(e)	Each Dryer	T+RN	T+M

SCHEDULE 22: Feed and Grain Mills and Kelp Processing Plants

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Receiving System (includes Silos)	T+RN	~~$202~~ $451
(b)	Each Grinder, Cracker, or Roll Mill	T+RN	~~$ 47~~ $ 78
(c)	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	T+RN	~~$ 40~~ $ 55
(d)	Each Mixer System	T+RN	~~$ 50~~ $ 58
(e)	Each Truck or Rail Loading System	T+RN	~~$ 69~~ $ 60
(z)	Kelco (98-99 Only):		$26,312
	Feed Receiving Systems (Silos) [$7110] Shaker, Screen, Pellitizer, Hammermill [$12,429] Mixer System [$6773]		

SCHEDULE 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Receiving System (Railroad, Ship and Truck Unloading)	T+RN	~~$215~~ $271
(b)	Each Storage Silo System	T+RN	~~$ 96~~ $156
(c)	Each Loadout Station System	T+RN	~~$ 66~~ $ 44
(d)	Each Belt Transfer Station	T+RN	~~$ 39~~ $ 37

SCHEDULE 24: Dry Chemical Mixing and Detergent Spray Tower

Fee Unit	Initial Fees (1)	Renewal (2)
(a) Each Grain Mixing System (includes receiving, transfer, mixing or blending, storage, and loadout bagging).	T+RN	~~$121~~ $260
(b) Each Detergent Spray Tower.	T+RN	T+M
(c) Each Dry Chemical Mixer with capacity over one-half cubic yard.	T+RN	~~$ 41~~ $117

SCHEDULE 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities

Fee Unit	Initial Fees (1)	Renewal (2)
1. Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor:		
(a) Per Tank	T+RN	~~$ 418~~ $ 461
(b) Tank Rim Seal Replacement	T+RN	N/A
(c) Per Truck Loading Head	T+RN	~~$ 108~~ $ 87
(d) Per Vapor Processor	T+RN	~~$2045~~ $1724
2. Bulk Plants not equipped with or not proposed to be equipped with a vapor processor:		
(e) Per Tank	T+RN	~~$ 21~~ $ 37
(f) Per Truck Loading Head	T+RN	~~$ 30~~ $ 19
(g) RESERVED		

"Vapor Processor" means a device which recovers or transforms volatile organic compounds by condensation, refrigeration, adsorption, absorption, incineration, or any combination thereof.

3. Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft.		
(h) Per IR Loading Connector	T+RN	~~$ 44~~ $ 37

If a facility falls into Parts 1, 2 or 3 above and is equipped with dispensing nozzles for which Phase II vapor controls are required, additional fees equivalent to the "per nozzle" fees for Schedule 26(a) shall be assessed for each dispensing nozzle.

SCHEDULE 26: Non-Bulk Volatile Organic Compound Dispensing Facilities Subject to District Rules 61.0 through 61.6

Fee Unit	Initial Fees (1)		Renewal (2)	
(a) INITIAL INSTALLATIONS AND TOTAL RENOVATIONS WHERE PHASE I AND PHASE II CONTROLS ARE REQUIRED (INCLUDES PHASE I FEE), EXCEPT WHERE SCHEDULE 26(f) APPLIES				
Base Fee/Per Nozzle Fee	~~$614/71~~	$785/84	~~$ 37~~*	N/A/$ 44*
(b) REPLACEMENT OR ADDITION OF TANKS AT A PERMITTED PHASE II FACILITY				
Fee Per Facility**	~~$700~~	$837		N/A
(c) FACILITIES WHERE ONLY PHASE I CONTROLS ARE REQUIRED (INCLUDES TANK REPLACEMENT)				
Fee Per Facility	~~$522~~	$531	~~$ 73~~	$ 78
(d) ADDITION OF NOZZLES AT PERMITTED FACILITIES WHERE PHASE II IS REQUIRED, EXCEPT WHERE SCHEDULE 26(f) APPLIES				
Base Fee/Per Added Nozzle Fee	~~$749~~	$554/$ 57		N/A
~~Fee Per Added Nozzle~~	~~$ 95~~			~~N/A~~
(e) NON RETAIL FACILITIES WITH 260-550 GALLON TANKS AND NO OTHER NON-BULK GASOLINE DISPENSING PERMITS				
Fee Per Facility	~~$196~~	$ 306	~~$ 47~~	$ 78
(f) PHASE II BOOTLESS OR MINI-BOOTED NOZZLE VACUUM ASSIST SYSTEM FACILITY				
Base Fee/Per Nozzle Fee	$1420/$123		$194 /$44	

* Fee per nozzle.

** This subschedule does not apply if nozzles are added to an existing facility at the same time tanks are replaced or added. Use Subschedule 26(d) instead.

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC

PART 1 - MARINE COATINGS

Fee Unit		Initial Fees (1)		Renewal (2)	
(t)	First Permit to Operate for Marine Coating application at facilities where combined coating, ~~adhesive~~, and cleaning solvent usage is < 3 gallons/day ~~per day~~ and <100 gallons ~~per year~~	T+RN		~~$181~~	$202
(a)	First Permit to Operate for Marine Coating application at facilities emitting < 10 tons/year of VOC ~~organic compounds~~ from Marine Coating Operations	~~$1861~~	$1973	~~$181~~	$256
(b)	First Permit to Operate for Marine Coating application at facilities emitting ≥ 10 ~~or more~~ tons/year of VOC ~~organic compounds~~ from Marine Coating Operations	~~$1861~~	$2921	~~$181~~	$1030
(c)	Each additional Permit Unit for Marine Coating application at existing permitted facilities.	T+RN		~~$171~~	$ 90

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING

(includes application stations for coatings such as paint spraying and dip tanks, printing, ~~adhesives~~, and manufacturing products with materials which contain ~~volatile organic compounds~~ VOC, etc.; ~~where no more than one material is applied at any given time~~).

Fee Unit		Initial Fees (1)		Renewal (2)	
(d)	Each Surface Coating ~~or Adhesive~~ Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day ~~per day~~ of surface coatings ~~or adhesives~~ and emitting < 5 tons/year of VOC ~~organic compounds~~ from equipment in this fee schedule	~~$418~~	$1210	~~$117~~	$185
(e)	Each Surface Coating ~~or Adhesive~~ Application Station w/o control equipment and not covered by other fee schedules at facilities emitting ≥ 5 ~~or more~~ tons/year of VOC ~~organic compounds~~ from equipment in this fee schedule	~~$1189~~	$1438	~~$156~~	$301
(f)	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting < 10 tons/year of VOC ~~organic compounds~~ from fiberglass, plastic or foam products operations	~~$1299~~	$2033	~~$338~~	$291
(g)	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting ≥ 10 ~~or more~~ tons/year of VOC ~~organic compounds~~ from fiberglass, plastic or foam products operations	~~$1299~~	$2377	~~$338~~	$303

SCHEDULE 27: Continued

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING Continued

Fee Unit	Initial Fees (1)		Renewal (2)	
(h) RESERVED				
(i) Each Surface Coating Application Station requiring Control Equipment	T+RN		~~$793~~	$3449
(j) Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting < 5 tons/year of VOC ~~organic compounds~~ from equipment in this fee schedule	~~$ 823~~	$1578	~~$315~~	$ 262
(k) Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≥ 5 ~~or more~~ tons/year of VOC ~~organic compounds~~ from equipment in this fee schedule	~~$1662~~	$3010	~~$315~~	$ 235
(l) Each Wood Products Coating Application Station w/o Control Equipment at facilities ~~a facility~~ using > 500 gallons/year ~~per year~~ of wood products coatings and emitting < 5 tons/year of VOC ~~organic compounds~~ from Wood Products Coating Operations	~~$ 418~~	$1054	~~$117~~	$244
(m) Each Wood Products Coating Application Station w/o Control Equipment at facilities ~~a facility~~ emitting ≥ 5 tons/year ~~or more per year~~ of VOC ~~organic compounds~~ from Wood Products Coating Operations	~~$1193~~	$1511	~~$161~~	$305
(n) Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	T+RN		~~$101~~	$ 96
(o) Each Graphic Arts Operation at the Union Tribune Publishing Co. facility subject to Rule 67.16	T+RN		~~$143~~	$130
(p) Each Surface Coating ~~or Adhesive~~ Application Station w/o control equipment (except automotive painting) where combined coating, ~~adhesive,~~ and cleaning solvent usage is < 1 gallon/day ~~per day~~ or ≤ 50 gallons/year ~~per year~~	~~$ 504~~	$1025	~~$197~~	$370
(q) Each Wood Products Coating Application Station of coatings and stripper w/o control equipment at a facility using ≤ 500 gallons/year ~~or less per year~~ for Wood Products Coating Operations	~~$ 382~~	$ 963	~~$ 82~~	$230

SCHEDULE 27: Continued

PART 3 - ~~AUTOMOTIVE PAINTING~~ MOTOR VEHICLE AND MOBILE EQUIPMENT REFINISHING OPERATIONS

Fee Unit	Initial Fees (1)		Renewal (2)	
(r) Each facility applying ≤ 5 gallons/day ~~or less~~ of Coating Materials subject to Rule 67.20 (as applied or sprayed) ~~per day~~	~~$1273~~	$1426	~~$181~~	$309
(s) Each facility applying ~~more than~~ ≥ 5 gallons/day of Coating Materials subject to Rule 67.20 (as applied or sprayed) ~~per day~~	~~$1468~~	$1306	~~$181~~	$228

PART 4 - ADHESIVE MATERIALS APPLICATION OPERATIONS

Fee Unit	Initial Fees (1)	Renewal (2)
(u) Each Adhesive Materials Application Station w/o control equipment at facilities emitting < 5 tons/year of VOC from equipment in this fee schedule	$1210	$185
(v) Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≥ 5 tons/year of VOC from equipment in this fee schedule	$1438	$301
(w) Each Adhesive Materials Application Station w/o control equipment where adhesive materials usage is < 55 gallons/year	$ 963	$230

SCHEDULE 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks

Fee Unit		Initial Fees (1)		Renewal (2)	
(a)	Each Vapor Degreaser with an Air Vapor Interfacial area > 5 square feet	~~$1154~~	$1171	~~$148~~	$115
(b)	Each Cold Solvent Degreaser with liquid surface area > 5 square feet	~~$1026~~	$ 979	~~$ 98~~	$ 65
(c)	Each Corrosion Control Cart	T+RN		~~$ 21~~	$116
(d)	Each Paint Stripping Tank	~~$1156~~	$1332	~~$120~~	$112
(e)	Each Vapor-Phase Solder Reflow Unit	T+RN		~~$148~~	$ 75
(f)	Remote Reservoir Cleaners	~~$ 209~~	$ 336	~~$ 23~~	$ 72
(g)	~~Coating Application Equipment Cleanup Devices~~ RESERVED	~~$ 224~~		~~$ 36~~	
(h)	Vapor Degreaser with an Air-Vapor Interfacial area < 5 square feet	~~$ 393~~	$ 458	~~$160~~	$ 89
(i)	Cold Solvent Degreaser with a liquid surface area < 5 square feet	~~$ 201~~	$ 337	~~$ 46~~	$ 80
(j)	Metal Inspection Tanks	T+RN		~~$ 25~~	$152
(k)	Contract Service Remote Reservoir Cleaners with ≤ 100 ~~or more~~ units	T+RN		~~$ 9~~	$ 6
(l)	Contract Service Cold Degreasers with a liquid surface area of < 5 square feet	T+RN		~~$ 13~~	$ 8
(m)	Each facility-wide solvent application operation	T+RN		T+M	
(n)	~~Contract Services Coating Application Equipment Cleanup Devices~~ RESERVED	~~$163~~		~~$ 36~~	

SCHEDULE 29: Solder Levelers and Hydrosqueegees

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Solder Leveler or Hydrosqueegee not covered by other Fee Schedules (except Vapor-Phase Solder Reflow Units)	T+RN	~~$135~~	$114

SCHEDULE 30: Solvent and Extract Dryers

Fee Unit	Initial Fees (1)	Renewal (2)	
Kelp and Biogum Products Solvent Dryer	T+RN	~~$225~~	$1511

SCHEDULE 31: Dry Cleaning Facilities

Fee Unit		Initial Fees (1)	Renewal (2)	
(a)	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	T+RN	~~$249~~	$190
(b)	Each Facility using Petroleum Based Solvents	T+RN	~~$ 66~~	$133
(c)	Each Facility using Solvents not required to install Control Equipment	T+RN	~~$ 74~~	$105
(d)	RESERVED	~~T+RN~~	~~T+M~~	

SCHEDULE 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing

Fee Unit		Initial Fees (1)	Renewal (2)	
(a)	Each Copper Etching Tank	T+RN	~~$ 43~~	$184
(b)	Each Acid Chemical Milling Tank	T+RN	~~$196~~	$146
(c)	Each Hot Dip Galvanizing Tank	T+RN	~~$148~~	$233
(z)	Herco: Copper Etching Tank (98-99 Only)		$5567	

SCHEDULE 33: Can and Coil Manufacturing and Coating Operations

Fee Unit		Initial Fees (1)		Renewal (2)	
(a)	Each Process Line applying ≥ 1000 gallons ~~or~~ ~~more~~ per year	T+RN		~~$334~~	$352
(b)	Research and Development Coil Coating Line	~~$940~~	T+RN	~~$184~~	$158
(c)	Each Process Line applying <1000 gallons per year	T+RN		~~$175~~	$128
(z)	Napp: Process Line applying >1000 Gallons per year (98-99 Only)			$2247	

SCHEDULE 34: Piston Type Internal Combustion Engines

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Cogeneration Engine with in-stack emission controls	T+RN	~~$321~~ $380
(b)	Each Cogeneration Engine with Engine Design Emission Controls	T+RN	~~$493~~ $332
(c)	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	~~$1612~~ $1534	~~$107~~ $100
(d)	Each Engine for Non-Emergency and Non-Cogeneration Operation	~~T+RN~~ $1601	~~$196~~ $180
(e)	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower equal to or greater than 200 HP	T+RN	~~$121~~ $147
(f)	Each Diesel Pile-Driving Hammer	T+RN	~~$326~~ $234
(g)	Each Engine for Non-Emergency and Non-Cogeneration Operation less than 200 horsepower	T+RN	~~$153~~ $129
(w)	Each Specified Eligible Engine, Registration Under Rule 12	$322	$104
(x)	Each Specified Eligible Portable Engine, Registration Under Rule 12.1	$200	$150
(z)	Each Specified Eligible Engine, Registration Under Rule 12, Conversion from Valid Permit	$274	N/A

SCHEDULE 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems

Fee Unit	Initial Fees (1)	Renewal (2)
Each System	T+RN	~~$98~~ $136

SCHEDULE 36: Grinding Booths and Rooms

Fee Unit	Initial Fees (1)	Renewal (2)
Each Booth or Room	~~$1209~~ $1169	~~$89~~ $87

SCHEDULE 37: Plasma Electric and Ceramic Deposition Spray Booths

Fee Unit	Initial Fees (1)	Renewal (2)
Each Application Station	T+RN	~~$93~~ $127

SCHEDULE 38: Paint, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing

Fee Unit	Initial Fees (1)	Renewal (2)	
(a) Each Process Line for Paint, Stain or Ink Manufacturing at facilities producing 10,000 gallons or more per year	T+RN	~~$ 94~~	$112
(b) Each Can Filling Line	T+RN	~~$ 21~~	$ 12
(c) Each Process Line for Solder Paste or Dielectric Paste Manufacturing	T+RN	~~$ 21~~	$ 37
(d) Each Paint, Stain or Ink Manufacturing facility producing <10,000 gallons per year	T+RN	~~$105~~	$ 91

SCHEDULE 39: Precious Metals Refining

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Process Line	T+RN	~~$ 25~~	$ 68

SCHEDULE 40: Asphalt Pavement Heaters/Recyclers

Fee Unit	Initial Fees (1)	Renewal (2)	
(a) Each Processor	T+RN	~~$141~~	$166
(x) Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	$200		$150

SCHEDULE 41: Perlite Processing

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Process Line	T+RN	~~$169~~	$739

SCHEDULE 42: Electronic Component Manufacturing

Fee Unit		Initial Fees (1)	Renewal (2)	
(a)	Each Process Line	T+RN	~~$346~~	$319
(b)	Each Screen Printing Operation	T+RN	~~$181~~	$ 75
(c)	Each Coating/Maskant Application Operation, excluding Conformal Operation	T+RN	~~$181~~	$243
(d)	Each Conformal Coating Operation	T+RN	~~$ 60~~	$ 58
(e)	Each Facility-wide Solvent Application Operation	T+RN	~~$ 64~~	$ 53
(z)	Herco: Screening Printing Operations (98-99 Only)		$3675	

SCHEDULE 43: Ceramic Slip Casting

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Process Line	T+RN	~~$ 77~~	$130

SCHEDULE 44: Evaporators, Dryers, & Stills Processing Organic Materials

Fee Unit		Initial Fees (1)	Renewal (2)	
(a)	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds	T+RN	~~$147~~	$206
(b)	Solvent Recovery Stills with a rated capacity equal to or greater than 7.5 gallons	T+RN	~~$ 51~~	$ 55

SCHEDULE 45: Rubber Mixers

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Rubber Mixer	T+RN	~~$ 60~~	$ 45

SCHEDULE 46: Reverse Osmosis Membrane Manufacturing

Fee Unit	Initial Fees (1)	Renewal (2)	
Each Process Line	T+RN	~~$285~~	$505

SCHEDULE 47: Organic Gas Sterilizers

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Organic Gas Sterilizer requiring control	T+RN	~~$113~~ $998
(b)	Each Stand Alone Organic Gas Aerator requiring control	T+RN	T+M
(c)	Each Organic Gas Sterilizer not requiring control	T+RN	~~$114~~ $117
(d)	Each Stand Alone Organic Gas Aerator < 25 lbs. not requiring control	T+RN	~~$ 73~~ $ 75

SCHEDULE 48: Municipal Waste Storage and Processing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sanitary Landfill	T+RN	T+M
(b)	Each Temporary Storage and/or Transfer Station	T+RN	T+M
(c)	Each Landfill Gas Flare or Containment System	T+RN	T+M
(d)	Each Municipal Waste Incinerator	T+RN	T+M
(e)	North County Resource Recovery	T+RN	T+M

SCHEDULE 49: Non-Operational Status Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Non-Operational Status Equipment	~~N/A~~ $37	~~$ 30~~ $ 28
(b)	Activating Non-Operational Status Equipment	~~$54 + RN*~~ $124 + RN*	N/A

* Renewal Fee based on appropriate fee schedule for type of equipment + Rule 40(r) (if applicable).

SCHEDULE 50: Coffee Roasters

Fee Unit	Initial Fees (1)	Renewal (2)
Each Coffee Roaster	T+RN	~~$197~~ $629

SCHEDULE 51: Industrial Waste Water Treatment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Per Processing Line - Onsite	T+RN	~~$521~~ $232
(b)	Per Processing Line - Offsite	T+RN	T+M

SCHEDULE 52: Air Stripping & Soil Remediation Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Air Stripping Equipment	T+RN	~~$196~~ $108
(b)	Soil Remediation Equipment - Onsite	~~T+RN~~ $3207	~~$411~~ $561
(c)	Soil Remediation Equipment - Offsite	T+RN	$561

SCHEDULE 53: Lens Casting Equipment

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Lens Casting Line	T+RN	T+M
(b)	Each Lens Coating Line	T+RN	T+M

SCHEDULE 54: Pharmaceutical Manufacturing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Pharmaceutical Manufacturing Process Line	T+RN	~~$257~~ $502
(b)	Each Protein Synthesis Process Line Employing Solvents	T+RN	T+M

SCHEDULE 55: Hexavalent Chromium Plating and Chromic Acid Anodizing

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Emission Collection System serving one or more Plating and/or Anodizing Tank(s)	T+RN	~~$1386~~ $1209
(b)	Each Decorative Plating Tank(s) Only	T+RN	T+M
(c)	Each Hard Chrome Plating or Chromic Acid Tank	T+RN	T+M

SCHEDULE 56: Sewage Treatment Facilities

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Sewage Treatment Facility	T+RN	T+M
(b)	Each Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility	T+RN	T+M
(c)	Each Sewage Sludge Composting Facility	T+RN	T+M

SCHEDULE 57: Laundry Facilities Processing Material Containing Organic Compounds

Fee Unit	Initial Fees (1)	Renewal (2)
Each Laundry Facility	T+RN	T+M

SCHEDULE 58: Bakeries

Fee Unit		Initial Fees (1)	Renewal (2)
(a)	Each Emission Control Device serving an oven or a group of ovens	T+RN	T+M
(b)	Each Bakery without add-on control and with combined oven heat capacity of 2 million BTU/hour or more	T+RN	T+M

SCHEDULES ~~58~~ 59 THROUGH 90, RESERVED

SCHEDULE 91: Miscellaneous - Hourly Rates

The fee for the Authority to Construct, Permit to Operate and annual renewal for items not listed in the above fee schedules of this subsection shall be determined by the actual costs incurred by the Air Pollution Control District. The initial Authority to Construct, Permit to Operate and first year renewal ~~(Column 1)~~ fee per unit shall be the sum of the annual renewal fee per unit ~~determined in Column (2)~~ and the actual Authority to Construct and Permit to Operate evaluation cost, each determined by using the ~~application-related~~ labor rates specified in Schedule 94. The annual renewal fee per unit (Column 2) shall be the sum of the cost determined using the ~~permit-related~~ labor rates in Schedule 94 plus the air contaminant emissions fee based on Rule 40(r).

The applicant shall deposit with the Air Pollution Control District the amount estimated to cover the cost of evaluation and inspection, including the first year's surveillance, before an Authority to Construct and/or Permit to Operate is processed. If the actual cost incurred by the Air Pollution Control District is less than the amount deposited, the difference shall be refunded to the applicant. If any deposit is insufficient to pay all the actual costs, the applicant shall pay an amount deemed sufficient by the Air Pollution Control Officer to complete the work in progress. If the applicant fails or refuses to pay such amount upon demand, the Air Pollution Control District may recover the same by action in any court of competent jurisdiction until such amount is paid in full, providing the Air Pollution Control Officer determines that it is in the best interest of all parties concerned to proceed. An Authority to Construct and/or Permit to Operate shall not be issued until all required fees are paid.

All other fees specified in Sections (a) through (g) of this rule, shall also apply to this fee schedule.

SCHEDULE 92: Source Testing Done by the District ~~(Rev. Effective 12/17/97)~~

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District or a contractor hired by the District to make an analysis of ~~the~~ emissions from any source for the purpose of more accurately quantifying emissions or determining whether a Permit to Operate or a Certificate of Registration or annual renewal of a Permit to Operate or a Certificate of Registration shall be issued, or where there is good reason to believe a source may not be in compliance with the District's Rules and Regulations the cost of collection and analysis of samples, including preparing the necessary reports, shall be added to the appropriate fee schedule herein. Source test fees shall be as determined in the following manner:

Fee Unit		Fee
(a)	Each Particulate Matter Source Test	~~$2929~~ $2990
	Note: Cancellation Fee	$ 500
(b)	Each Oxides of Nitrogen Source Test	T+M
(c)	Each Oxides of Sulfur Source Test	T+M
(d)	Each Hydrocarbon Vapor Processor Source Test	T+M
(e)	Each Observation and Participation of ~~Odor Panel Test~~ Hydrogen Sulfide Test	T+M
(f)	Each Carbon Monoxide and Oxide of Nitrogen Source Test with a Continuous Analyzer	~~$1625~~ $1843
(g)	Each Oxides of Nitrogen Source Test with a Continuous Analyzer	~~$1354~~ $1543
(h)	Each Incinerator Particulate Matter Source Test (excluding quadrennial source test in Fee Schedule 14(a))	T+M
(i)	Each Ammonia Slippage Source Test	~~$ 542~~ $ 650
(j)	Continuous Emission Monitor Evaluation	T+M
(k)	Kelco: Each VOC Source Test	T+M
(l)	Each VOC Outlet Source Test Only	T+M
(m)	Each Mass Emissions Source Test	T+M
(n)	Each Ethylene Oxide Test Witness	$2005
(o)	Each Multiple Metals Source Test	T+M
(p)	Each Chromium Source Test	T+M
(q)	Each VOC Onsite Analysis	T+M
(r)	Each VOC Offsite Analysis	T+M
(s)	Each Hydrogen Sulfide Source Test	T+M
(t)	Each Acid Gases Source Test	T+M
(z)	Micellaneous Source Test (Special Tests not Listed)	T+M

The cost of testing not specified in Sections (a) through ~~(m)~~ (t) or where a ~~time and material~~ (T+M) fee is indicated, or for additional District costs in those cases (e.g., tall stacks) when testing requires an unusually greater amount of onsite time than that represented by the fixed fees specified in this Schedule, shall be determined using the ~~permit-related~~ labor rates specified in Schedule 94 and related material and other costs.

SCHEDULE 93: Observations and Evaluations of Source Testing Performed by Private Companies

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to observe source testing performed by private companies for the purpose of determining whether a Permit to Operate or a Certificate of Registration or annual renewal of a Permit to Operate or a Certificate of Registration shall be issued, or where there is good reason to believe a source may not be in compliance with the District's Rules and Regulations, the cost of the observation and the preparation of a report shall be added to the applicable fees of this rule.

When a test procedure review is requested by a private company and the Air Pollution Control Officer agrees that a review should be made, the cost of the review shall be paid by such private company.

Fee Unit	Fees
(a) Observations	T+M
(b) Source Test Reports	T+M
(c) Test Procedure Review	T+M

SCHEDULE 94: Time and Material (T+M) Labor Rates

~~Fee Unit (Employee Classification)~~ Employee Classification (Fee Unit)	~~Fees (including multiplier)~~ ~~Application-related (1)~~	~~Permit-related (2)~~	~~Full Cost~~ Hourly Rate ~~(no multiplier) (3)~~	
Engineering Technician (94p)	~~$ 82/hr~~	~~$ 68/hr~~	~~$ 48/hr~~	$ 99
Junior Engineer (94a)	~~$ 88/hr~~	~~$ 73/hr~~	~~$ 47/hr~~	$103
Assistant Engineer (94b)	~~$ 96/hr~~	~~$ 80/hr~~	~~$ 51/hr~~	$107
Associate Engineer (94c)	~~$107/hr~~	~~$ 89/hr~~	~~$ 57/hr~~	$122
Senior Engineer (94d)	~~$124/hr~~	~~$103/hr~~	~~$ 71/hr~~	$148
Air Quality Inspector I (94o)	~~$ 90/hr~~	~~$ 75/hr~~	~~$ 44/hr~~	$ 60
Air Quality Inspector II (94e)	~~$101/hr~~	~~$ 84/hr~~	~~$ 53/hr~~	$ 73
Air Quality Inspector III (94f)	~~$ 94/hr~~	~~$ 79/hr~~	~~$ 64/hr~~	$ 87
Assistant Air Resources Specialist (94s)	~~$ 84/hr~~	~~$ 70/hr~~	~~$ 47/hr~~	$ 94
Associate Air Resources Specialist (94q)	~~$105/hr~~	~~$ 87/hr~~	~~$ 54/hr~~	$108
Assistant Meteorologist (94g)	~~$124/hr~~	~~$103/hr~~	~~$ 57/hr~~	$ 67
Associate Meteorologist (94r)	~~$124/hr~~	~~$103/hr~~	~~$ 64/hr~~	$ 69

Senior Meteorologist (94h)	~~$145/hr~~	~~$125/hr~~	~~$ 65/hr~~	$ 73
Assistant Chemist (94i)	~~$ 96/hr~~	~~$ 80/hr~~	~~$ 55/hr~~	$ 63
Associate Chemist (94j)	~~$105/hr~~	~~$ 87/hr~~	~~$ 60/hr~~	$ 70
Senior Chemist (94k)	~~$145/hr~~	~~$121/hr~~	~~$ 71/hr~~	$ 82
Supervising Instrument Technician (94t)	~~$126/hr~~	~~$105/hr~~	~~$ 59/hr~~	$ 69
Instrument Technician I (94l)	~~$ 96/hr~~	~~$ 80/hr~~	~~$ 45/hr~~	$ 51
Instrument Technician II (94n)	~~$ 96/hr~~	~~$ 80/hr~~	~~$ 52/hr~~	$ 60
Source Test Technician (94m)	~~$ 75/hr~~	~~$ 63/hr~~	~~$ 48/hr~~	$ 56
Air Pollution Control Aide (94u)	~~$ 67/hr~~	~~$ 56/hr~~	~~$ 36/hr~~	$ 43
Student Worker V (94y)	~~$ 56/hr~~	~~$ 48/hr~~	~~$ 25/hr~~	$ 55
Student Worker III (94w)	~~$ 40/hr~~	~~$ 34/hr~~	~~$ 18/hr~~	$ 44
Student Worker II (94v)	~~$ 31/hr~~	~~$ 26/hr~~	~~$ 15/hr~~	$ 34

~~(1) The application-related time and materials fee equals the product of the full cost hourly rate by classification times the application-related full cost multiplier (2.25), not exceeding a 15% increase over the previous hourly rate times application-related multiplier.~~

~~(2) The permit-related time and materials fee equals the product of the full cost hourly rate by classification times the permit-related full cost multiplier (1.95), not exceeding a 15% increase over the previous hourly rate times permit-related multiplier.~~

~~(3) The full cost rate is the full cost hourly labor rate by classification that is applied to projects and programs outside the permit system.~~

SCHEDULE 95: Sampling and Analysis ~~of Architectural Coatings~~

Whenever the Air Pollution Control Officer finds that it is necessary for the Air Pollution Control District to make an analysis of any samples ~~an architectural coating~~ for the purpose of determining potential emissions ~~from use of the coating~~ and/or for the purpose of determining compliance with ~~the~~ District's Rules and Regulations, the cost of collection and analysis of samples, including preparing the necessary reports, shall be paid by the permittee or applicant for activities which do not require a permit ~~manufacturer of the coating~~. The cost shall be equal to the cost determined by using the ~~full-cost~~ labor rates specified in Schedule 94 and the cost of external analysis. ~~The total cost for each sample and analysis shall not exceed $128.~~

SCHEDULE 96: Additional Costs Incurred by the District for Permittees Not in Compliance

Whenever the Air Pollution Control District is required to provide consultation, testing or inspection services to a permittee beyond the average consultation, testing and inspection covered by the permit fees specified in the preceding schedules, because the permittee's source is out of compliance with District Rules and Regulations, the cost of such consultation, testing, ~~and~~ inspection and costs related to any Notice of Violation or Notice to Comply shall be a fee in addition to the permit fees provided elsewhere in Rule 40. The cost of such consultation, testing, ~~and~~ inspection and costs related to any Notice of Violation or Notice to Comply shall be determined by using the ~~permit related~~ labor rates specified in Schedule 94. The permittee shall be billed ~~for~~ the additional fee for the consultation, testing, ~~and~~ inspection and costs related to any Notice of Violation or Notice to Comply and shall remit such amount to the Air Pollution Control District within 30 days of being notified that such amount is due, unless prior arrangements for payment have been approved by the Air Pollution Control Officer. For the purposes of this schedule, the term permittee also applies to any person who has applied for or has been issued a Certificate of Registration pursuant to Rules 12 or 12.1.

SCHEDULE 97: Other Charges

Whenever the Air Pollution Control District is ~~requested~~ required to provide consultation, legally required testimony, testing or inspection, engineering, or incur costs related to any Notice of Violation or Notice to Comply or other services to any individual, business or agency, not directly related to District permitting, registration or testing requirements, the cost of such services shall be determined using the ~~full cost~~ labor rates specified in Schedule 94. Individuals, businesses or agencies requesting the service shall be billed the estimated cost of such services, and shall remit such amount to the Air Pollution Control District in advance of the service, unless prior arrangements for payment have been approved by the Air Pollution Control Officer.

ATTACHMENT IV

1997-98 FEE REVIEW GROUP

AWR Engineering Group
Paul Weir

Callaway Golf
Armando DeQuesada

City of San Diego
Metropolitan Waste Water Dept.
Skyla Wallman

City of San Diego
Refuse Disposal Division
Ray Purtee

County of San Diego
Dept. of Public Works
Margaret Bezy

Dames & Moore
Dana Byrne

Industrial Environmental Association
Patti Krebs

Laidlaw Waste Systems
Mike Kaiser

National Steel and Shipbuilding Co.
Dan Buell

NutraSweet Kelco Company
Duy Pham

Rohr, Inc.
Dave George / Clay Hinkle

San Diego County Rock Producers Assoc.
Bruce Warren

SDG&E
Linda Becker

Solar Turbines, Inc.
Craig Anderson

U.S. Navy
Margaret Lenz

U.S. Navy Public Works Center
Donald Willis

Asphalt, Inc.
Ray Ehly, Jr.

California Commercial Asphalt
Don Daley, Jr.

Calmat Company
Barry Colley

Coast Sand Company c/o Hafer Steel Co.
Ken Barnard

Diamond Concrete Supply
Mery Brandt

East County Materials Co.
Allan Roudebush

H.G. Fenton Material Co.
Henry F. Hunte / Linda Kaufman

Hester Granite Co.
Joel Cloud / Jon Cloud

Nelson & Sloan
Ken Monson

RCP Block & Brick
Marvin Fench / Kathy Olsen

Sim J. Harris, Inc.
Don Hicketheir / John Frederickson

Superior Ready Mix Company
Amie Veldkamp

Greenwood
John Stoddart

Neptune Society
Rod Hildebrand

ADDITIONAL ATTENDEES

A-1 Soils
Hal Bradley

Denardi Equipment Co.
Tom Noakes / Alan Swift

East County Materials
Don Grace

I.P.R.R.
Lloyd Maynard / Ralph Esquivel

J.L. Lestor
J.L. Lestor

Pre-Mixed Concrete
Craig Tieck

South Coast Materials
Larry Liston

Wyrock
Bob Snodgrass

ATTACHMENT V

RECOMMENDATIONS FOR SETTING SAN DIEGO APCD FEES

A. FEE-FOR-SERVICE MECHANISM

The current District "fee-for-service" philosophy should continue as the guidance for developing fees for various District programs, with the modifications shown below:

1. Administrative and management costs are to be allocated, as much as practicable, to the specific programs which cause the District to incur those costs. Distributing administrative and management costs as overhead should continue, with modifications to allow for assigning costs to specific programs wherever possible.

2. Estimates used to assign percentages of administrative and management costs should be based on prior year's data and budget forecasts.

3. Fees to recover the costs of new programs, or significant modifications to existing programs, should be estimated during the budget process, and should be preferentially recovered, where possible and appropriate, by program-specific fees, rather than utilizing the emission fee.

4. The current practice of using the emission fee to make the District "whole" should continue; however, movement should continue towards recovering only those items or general programs which either have a public benefit or are very broadly based across all of industry (e.g. rule development, emissions inventory, certain Hearing Board-related costs, complaints related to non-permitted sources, general activities related to air toxics, etc.). The emission fee should not be used to recover the cost of new programs unless this criteria is met.

   The District should make reasonable efforts for FY 1999-2000 to confirm the appropriateness of assuming an average emissions of 5 tons per year for determining emission fees for sources in the 5 - 10 tons per year range. Similarly, the District should confirm the appropriateness of assuming emissions of 0.5 tons per year for determining emission fees for sources having emissions less than 5 tons per year. A rough validation based on averages and/or emissions inventory work done by the District, ARB or other districts may be adequate. Facilities with emissions less than 10 tons per year should not be required to do annual emissions inventories each year or increase emissions reporting requirements for fee development purposes.

B. FEE SCHEDULE 94 HOURLY RATES

Hourly rates for each staff classification should be the same regardless of what specific program the staff member is working on.

1. The use of multipliers should be discontinued in favor of an hourly rate derived from the costs of salary and benefits and the fully-burdened overhead and nondirect cost rate for the division the employee works in.

2. Senior-level positions having supervisorial responsibility should estimate the percentage of hours involved in supervision and distribute those hours division-wide.

3. Estimates of the amount or percentage of indirect time should be made from prior years' data and budget forecasts.

4. The hourly rate for inclusion in Schedule 94 is the cost of salary and benefits, including full administrative, management and supervision costs, as well as the cost of non-billable (non-direct) hours.

C. CALCULATION OF FEES

Fees associated with directly billable programs should be based on the Fee Schedule 94 hourly rates plus program-specific administrative and management costs.

1. The District should focus on attempting to recover the full cost of the following programs:

   a. Permit Renewal Program

      The District identified $276,900 in costs specifically related to the Permit Renewal Program. These costs should be recovered through an add-on fee for which 40% of this cost is recovered through a fee from each source renewing permits and 60% of this cost is recovered through a fee from each permit unit being renewed in San Diego County.

   b. Air Toxics Program

      Air Toxics Program fees should be based on revised hours estimated by the District for each category in the program, multiplied by the appropriate new hourly rate for each staff classification. As proposed by the District, the hours associated with certain activities currently performed by the Air Toxics' staff should be shifted to emission or renewal fees, as appropriate, consistent with (A)(4).

2. Application Evaluation Program

   The District has identified $364,200 (for FY 1998-99) in costs that pay for application-related activities performed by 0.4 Chief of Engineering, 2.3 Intermediate Clerks (Permit Processing), 0.35 Senior Clerk (Permit Processing), One Senior Account Clerk, 0.4 Associate Accountant, 0.2 Assistant Accountant, 0.4 Senior Systems Analyst, and 0.75 Associate Systems Analyst. Assigning these costs directly to those facilities actually filing applications would result in an add-on fee for each

permit application of about $500. This would not be a reasonable add-on fee for small businesses. Recovering this cost from the emission fee would increase the emission fee rate by $27 per ton. It is recommended that the $364,200 be recovered from both the emission fee and a new application add-on fee of $75. The $75 add-on fee is consistent with most other air districts in the state.

3. Other District Programs

   For-fee-schedule revisions subsequent to those for FY 1998-99, consideration should also be given to examining several other, mostly smaller, District programs to determine if there is opportunity to move them closer to full fee-for-service cost recovery. Programs which deserve evaluation are:

   GASEOUS and PARTICULATE SOURCE TESTING FEES
   ASBESTOS FEES
   REGISTRATION FEES (Rules 12.0 and 12.1)

   In addition, the District should continue recovering the cost of a portion of Hearing Board costs through the emission fee to assure that equal access to variances and appeals is available for small or large companies alike.

4. Staff labor hours for fixed-fee applications and renewals should continue to be tracked on an annual basis for at least one more year. However, actual costs associated with continuing detailed labor tracking for these activities should be clearly identified and weighed against benefits to determine if labor tracking could be further simplified and costs reduced.

   The 5-year labor hour average for applications or permit renewals should be updated annually. Fees developed from average labor hours should be adjusted no less than every three years and more frequently when warranted. Outliers should continue to be excluded from the averages and special fee schedules developed for the businesses causing the outliers.

5. Detailed calculations and recommendations for adjustments to fees should be part of the District's Rule 40 workshop process. Details of recommendations to increase fee revenues (e.g. as a result of new programs) should be part of the District's existing budget review process. This should eliminate the need to annually convene a Fee Review Group.

6. For new programs or significant revisions to existing programs, the District should establish a fee for such new or revised program based on the best information available to the District at the time the fee is established. During the first year of operation of such new or revised program, labor expenditures should be tracked to determine program costs. The District should determine the best mechanisms for recovering costs. The appropriate mechanisms should then be implemented in the second full year of the new or revised program.

ATTACHMENT VI

RESPONSES TO BUSINESS CUSTOMER ISSUES RELATED TO COST CONTAINMENT

When District fees for Fiscal Year 1997-98 (July 1, 1997 - June 30, 1998) were adopted, it was agreed these fees did not reflect full-cost recovery because state law limited individual fee schedule increases to 15% while allowing fee schedules where costs had decreased to be reduced to reflect actual costs. To maintain the "fee-for-service" fee development methodology, it was recognized a change in state law was needed to allow fee schedules to change to reflect full-cost recovery. The District also committed to develop a cost containment plan to minimize fee increases. To assure the cost containment plan would align with business customer needs, the District met with businesses and associations to determine areas the District should specifically address. Other issues unrelated to cost containment were also raised. As part of the Fiscal Year 1997-98 fee adoption process, a District action plan was identified to address each comment. In developing the cost containment plan, the District responded to each action item, as follows:

General

Issue 1: Emphasis will be placed on reducing direct cost to customers (time to complete an application, source test, etc.) and the indirect cost of doing business that increases customer costs.

Analysis: The District has implemented process improvements and streamlined programs as part of continuous process improvement efforts. This has been done in process improvement teams involving internal customers and in collaboration with external customers on the Air Pollution Permit Streamlining (APPS) Team, Compliance Improvement (CI) Team and the Source Test Improvement (STI) Team. As a result of this work and a District review of each program, the District has proposed reducing staffing, fixed assets and services and supplies in fiscal year (FY) 1998-99 by more than $1,000,000 as compared to the FY 1997-98 budget. Of this, about $870,000 is associated with savings from the following positions: one deputy director, four engineers, four inspectors, three chemists, one meteorologist, one air resources specialist, one program policy specialist, two clerk typists, one citizens assistance specialist, and one word processing operator. This will reduce both direct and indirect costs to customers. [Please see Attachment A for details.]

The District has also identified potential opportunities to further reduce costs in the FY 1999-2000 budget cycle if additional process improvements can be made and there are no new significant state or federal mandates.

In addition, process improvements made by the District have also resulted in direct cost savings to customers. The District, in collaboration with the APPS Team, developed and implemented cost-saving measures such as pre-application meetings; clearer, more complete permit application forms; application forms available in electronic format; methods for tracking application processing cycle times; and streamlined registration for several types of equipment. The District is currently developing Best Available

Control Technology guidance, streamlined procedures for reviewing toxic air contaminant impacts, application preparation training, and changes to the New Source Review rules which would reduce or eliminate the need for state-required emission offsets. These improvements will result in lower costs to customers.

With assistance from the STI Team, external and internal customers were surveyed to identify potential source testing problem areas and process improvements. The District has implemented standardized source test protocols and test report formats, automated data processing and other process improvements. The time required for standard source tests has been reduced. In addition, the District is reducing the amount of staff time spent observing source testing and is continuing to investigate ways the source test program can be improved while assuring compliance with emission standards. Labor for calibration times and maintenance have been reduced, thus reducing both direct and indirect costs associated with source testing.

The District, and in collaboration with external customers, has also made a number of process improvements to the compliance program resulting in reduced costs to businesses. Inspection reports have been streamlined and in some cases supporting documentation has been reduced or eliminated. Several narrative-type reports have been converted into checklist format and laptop computers are being used to reduce time spent on reports. The CI Team will continue reviewing compliance processes with a focus on process improvements and streamlining. Additional improvements may be forthcoming during the FY 1999-2000 budget cycle.

Other District costs are evaluated on an ongoing basis to identify where costs can be reduced and/or processes streamlined. However, some costs relate to factors over which the District has little control. For example, as program requirements become more complex and impact more and increasingly smaller sources, there will be a continuing demand from affected businesses for information and assistance from District staff. Also, as federally mandated programs, such as Title III, Title V and revised ambient air quality standards are implemented, the District will incur substantial costs in program development, negotiations with EPA and interactions with business. The District also incurs significant operational (indirect) costs from County departments that provide services to the District. In some cases, the District cannot select more cost-effective providers of those services. [Please also see Issue 32.]

It is noted the District often incurs costs resulting from requests from regulated industries. For example, the District is currently expending substantial resources to demonstrate state mandated emission offsets for new and modified sources of ozone precursors are not needed and can be removed from the District's New Source Review rules. This has been requested by industry and industry will benefit if the District is successful, but there is no single entity to whom the costs of this effort can be billed.

There are many other examples where costs are incurred to improve District programs, benefit regulated businesses or implement mandated

requirements. Nevertheless, the District is endeavoring to reduce indirect costs without reducing services to customers.

Conclusion: The District, in collaboration with external and internal customers, has identified and implemented process improvements and streamlining to reduce costs and improve service. These efforts will continue through process improvement teams. The District is also reducing its indirect costs where possible while still meeting goals of improving air quality and providing a high level of customer service.

Issue 2: There may be opportunities for using automated systems to decrease personnel resource requirements throughout the District. This will be systematically reviewed and an implementation plan prepared.

Analysis The District has integrated continuous process improvement in all District operations. Continuous process improvement uses ongoing evaluation of processes and tools (methods, hardware, software) to improve service and productivity while minimizing resource requirements. During the last few years, the District has implemented many changes that have improved service and reduced resource requirements. Noteworthy improvements include:

- Installed and normalized a relational data base accessible to all staff through a District-wide network. This replaced a resource-intensive, flat-file system.

- All computer operations dealing with business customers (applications and permits, invoices, source tests, fees and labor data) have been networked.

- Installed networked desktop computers for all permitting engineers and desktop or laptop computer access for inspectors and source test staff. Permit information, emissions information, labor charges, revenues, etc. can now be accessed and application status data updated, and permits developed using desktop computers. This reduces cycle times and support staff requirements.

- Prepare and route weekly and monthly reports showing status of permit applications to assigned engineers, supervisors and the Division chief. This provides opportunity to identify cycle or fee issues with pending permit applications.

- An emissions inventory database program has been developed to facilitate toxics and criteria emissions inventory work, making it easier for businesses to update emissions inventory reports.

- Pre-screening procedures have been developed for use by permit engineers in evaluating new and modified sources of toxic air contaminants and determining health risk assessment requirements.

ATTACHMENT VI: Responses to Business Customer Issues Related to Cost Containment

- A centralized share file of emissions calculation and application evaluation spreadsheets, forms and techniques has been developed. This reduces resources needed to disseminate individually-created process improvements to District staff.

- District and industry representatives are finishing work on a Best Available Control Technology (BACT) guidance document with BACT look-up tables for use by applicants and permitting engineers to improve consistency of BACT determinations, streamline permit application processing and provide more certainty to applicants that proposed projects will be approved.

- Laptop computers and computer software have been purchased for about one-third of the field inspectors. Reports have been and will continue to be streamlined. Improvements in the last year alone have reduced staff time on certain administrative tasks by over 1,000 hours. It is anticipated that as less field staff time is spent on activities such as handwriting narrative reports, more time will be spent on inspections and overall program efficiency will continue to increase. Laptop computers will be phased in for the other field inspectors over the next two years.

- Cellular phones have reduced time inspectors previously spent looking for working public telephones. As a result, time available for inspections has increased and the overall program is more efficient.

- Laptop computers are now being used in source testing. Automated data integration for gaseous emissions testing is used saving several hours per test. Direct data entry during particulate testing instead of entering after the test from hand written notes also saves test time. These improvements reduced staff time per test resulting in lower costs to customers.

- A Data Acquisition System (DAS) has been installed that records Air Quality Monitoring data electronically, greatly reducing labor requirements for data processing and quality assurance.

- A data processing system is being acquired enabling automated production of certain meteorological charts currently done manually, resulting in labor savings.

- The first phase of multi-year improvements has been implemented to achieve an integrated financial and budget accounting system. Phase I improved the accounts receivable system providing better reporting capabilities on individual accounts, invoices, overdue invoices and District revenues. This multi-year project will use purchased accounting software and specialized programming to interface with both the District Permit System database (VAX) and the County's accounting, purchasing and payroll systems (IBM).

ATTACHMENT VI: Responses to Business Customer Issues Related to Cost Containment

- Planning is in progress for District-wide e-mail with connectivity to County offices. In combination with Internet availability, this will provide direct e-mail capability with businesses, the Air Resources Board and the Environmental Protection Agency. Internet connection is expected in the fall of 1998. Hardware (modems and phone lines) and software costs may increase during implementation, but should reduce current time lags and support costs for copying and disseminating information internally and to external customers.

- Obtained a disk drive in the library and CD subscriptions for certain documents, reducing space needs for hard copies and time spent cataloguing items. A modem will be installed in the future to access many documents now maintained in hard copy and facilitate research currently done by sending staff to the County library to copy documents.

- Electronic versions of most commonly used permit application and Title V forms are now available to business customers. They are not interactive, but completed forms can be printed out and submitted for processing with appropriate application fees. This saves applicants' time and provides clearly readable information to speed permit processing time. The forms are available for Mac or DOS computers. The District is also investigating providing forms in word processing format.

- An EPA direct satellite link has been installed offering training on a variety of environmental subjects, saving resources by reducing travel time (and costs) to EPA training facilities. Industry representatives may attend paying only for reproduction of class materials and, therefore, saving similar travel time and costs. Air-pollution-related classes are also taped and available for later viewing by persons unable to participate in the interactive video class.

- Spreadsheet programs have been developed to facilitate evaluating Vehicle Registration Fund proposals and automate proposal ranking.

- The Internet is now being used to track EPA and ARB air quality planning and regulatory activities.

Additional tools have also been identified for evaluation and possible future implementation. They include the following:

- Use of a District Internet site to facilitate information distribution, possibly including permit application forms, application submittals, compliance and new rules advisories, rules and regulations, BACT information, public notices, application processing status, emission reduction credit banking registry, District changes, etc.

- Improved network-wide Internet access for tracking EPA and ARB activities including the state portable equipment registration program.

ATTACHMENT VI: Responses to Business Customer Issues Related to Cost Containment

Conclusion: The District regularly uses automation tools (hardware, software, process improvements, system developments) to improve productivity. This saves time and resources by reducing staffing and/or purchases. Such savings provide resources necessary to implement new program requirements and develop additional services without increasing existing resource needs. Developing and evaluating automation tools to improve services is an integral part of the District's efforts to reduce resource needs.

Issue 3: Assuming no new state and federal mandates, there are program elements that may require less resources in the future. With a focus on the FY 1998-99 and 1999-2000 budget cycles, anticipated resource reductions in the District will be evaluated.

Analysis: Because of streamlining measures undertaken by the District with the assistance of the Air Pollution Permit Streamlining Team, changes in the number and types of permit applications received, and improvements in staff efficiency, there has been a decline in the resources needed for permit application processing. There have also been efficiency improvements and a decline in activity levels and resources needed for the Air Toxics "Hot Spots" program. These have allowed existing staff to be re-assigned to rule development, permit updating and special project activities rather than fill vacancies in those areas. These trends are expected to continue through Fiscal Years 1997-98 and 1998-99. The District will continue to examine resource needs in Engineering programs, including Title V permits, Synthetic Minor Source permits, registration, general permitting, Toxic Hot Spots, rule development and emissions inventory for FY 1999-2000 and beyond, and will continue to adjust assignments and staffing levels to meet those resource needs.

In the Compliance Division, several key areas have and will continue to be evaluated. The resources needed to implement and maintain an effective, streamlined, results-oriented inspection program will be assessed. The inspection program represents the majority of Compliance Division resources. In addition, the staffing for other existing and new Compliance programs will be assessed. Once the Mutual Settlement backlog has been reduced, the resources needed to maintain that program will be evaluated. Federally mandated Title V permits, which should be issued by the end of Fiscal Year 1998-99, may significantly increase Compliance Division workload for affected sources in Fiscal Year 1999-2000 and beyond. Because many Title V implementation issues have not yet been fully resolved (locally, statewide and nationally) it is not yet possible to develop realistic long-term program planning and accurately adjust resources. The same is also true of the federally mandated Title III hazardous air pollutant control program. This program may require increased monitoring, record keeping and reporting requirements for potentially a large number of affected sources in the county, affecting future Compliance resource needs.

For a number of years, the Monitoring and Technical Services Division has annually evaluated possible reductions in air quality monitoring, negotiated program changes with ARB, and eliminated monitoring activities of limited value. Also, source test staff have actively sought approaches to provide improved and more cost-effective services to all customers. In both cases, these improvements have enabled existing staff to assimilate additional work

load. This division has evaluated opportunities to get the job done using less resources. Automation has been a key factor in efficiency enhancements that have occurred. Process automation will enable the division to reduce staffing in FY 1998-99. Process improvements, streamlining and further automation will continue with possible further reductions if there is no significant additional workload.

District Administration, the Support Services Group and the Air Resources and Strategy Development (ARSD) Section have proposed resource reductions for FY 1998-99 and 1999-2000. Process improvements and streamlining will continue in these sections and future resource needs adjusted accordingly on an ongoing basis. [Please also see Attachment A for specific staffing and cost reductions.]

Conclusion: Assuming no new state and federal mandates, specific District positions have been eliminated for FY 1998-99 and others will be held vacant in the short term (with no associated funding) to provide resources, if needed, for new projected mandates. Travel, contract and fixed asset expenditures have also been reduced for FY 1998-99. The District will continue tracking labor data and workloads to ensure adequate resources are available where needed and reduced if not needed. In the FY 1999-2000 budget cycle, resource requirements for various District programs will be evaluated for additional potential savings and further adjustments.

Engineering Division

Issue 4: In addition to work within the Monitoring and Technical Services Division, a meteorologist does point source modeling for permit applications and provides a similar service to the Air Toxic Control Section. Since this work is for Engineering which does not directly control this person's priorities, the possibility of reducing cycle time and increasing efficiency by moving this activity to the Engineering Division will be evaluated.

Analysis: One meteorologist in the Monitoring and Technical Services Division performs air quality modeling work for Engineering. This issue was evaluated by looking at the amount of work assigned to the meteorologist by the Engineering Division during fiscal year (FY) 1996-97 and the first quarter of FY 1997-98, the turnaround time on assignments, the current backlog of Engineering projects and anticipated future Engineering project levels. It was found that, during the majority of FY 1996-97, the meteorologist was spending about 20% of available time on Engineering projects and the remainder on Monitoring and Technical Services Division work. In the last quarter of FY 1996-97, approximately 35% of the meteorologist's time was needed on Engineering projects.

The Engineering projects primarily fall into three categories - air toxic New Source Review modeling, criteria pollutants New Source Review/Prevention of Significant Deterioration modeling, and AB2588 program risk assessment modeling. During the first quarter of FY 1997-98, Engineering-related projects are accounting for approximately 50% of the meteorologist's time. However, much of this is due to participating in a cross-divisional team developing screening tools and process improvements for toxics New Source Review evaluations. This activity will be declining

early in 1998, and Engineering projects should account for less than one-third of the meteorologist's time in the future.

During the first three quarters of FY 1996-97, there were some problems with turnaround times on air toxics reviews. This was due in part to the workloads given to this meteorologist by the Air Toxics Engineering Section, and in part to the absence of the Senior Meteorologist and the need for this meteorologist who works on Engineering projects to share that workload. Having to review AB2588 risk assessment updates with modeling protocols for approximately 26 facilities in a very short time pursuant to Rule 1210, and increased numbers of Rule 1200 toxics New Source Review reviews also contributed to these problems.

Those transient conditions have since passed and turnaround times have improved significantly. Engineering assignments to the meteorologist are tracked and current turnaround times are typically two weeks or less. Written direction has been provided to make clear that assignments from Engineering will be given the highest priority for this meteorologist and a procedure for resolving any conflicting priorities among the Engineering assignments has been established. There is currently no backlog of permit-related or AB2588 assignments from Engineering.

Finally, a team of representatives from the Meteorology and Modeling Section and Engineering Division has been evaluating the air toxics New Source Review and criteria pollutant New Source Review/Prevention of Significant Deterioration modeling process in detail. They have identified several improvements that are being developed and implemented to further reduce cycle times and costs.

Conclusion:

Based on an evaluation of the meteorologist's workload for Engineering and for Monitoring and Technical Services Divisions and currently pending work assignments, this meteorologist position should remain assigned to the Monitoring and Technical Services Division and should not be moved to Engineering. Reassigning this activity would not improve cycle times or efficiency for Engineering projects, but could adversely impact cycle times and efficiencies for Monitoring and Technical Services' projects which account for the majority of the meteorologist's time. Written direction has been provided making Engineering projects a top priority. Project assignment cycle times and backlog are being tracked. In addition, staff from the Meteorology and Modeling Section and the Engineering Toxics Section are participating in a cross-divisional team to identify and implement process improvements and streamlining tools.

Issue 5:

The need to witness all initial source testing or an entire test will be addressed, especially if a source test protocol has been approved by the District and an ARB-certified contractor is doing the work. If an initial source test is witnessed by the District, the need for both an engineer and chemist to do so will be evaluated. If a compliance source test (renewal test) is witnessed by the District, staffing resources needed to do so will be evaluated. In addition, the possibility of decreasing the frequency of required compliance source testing for consistently-complying facilities will be evaluated.

If a source test protocol is reviewed and approved by the District and an ARB-certified contractor is used, why does the District need to witness the source test? Does all source testing need to be witnessed? Does an entire test need to be witnessed?

Analysis:

Overview

The District must ensure equipment is in compliance with all applicable air quality requirements before a permit is issued or renewed. In some cases, compliance can be determined through observation, records inspection and/or engineering evaluation. However, in a minority of cases, compliance can only be determined through emissions source testing. Testing is normally required only when the potential for emissions or public health impacts is significant. Testing is also done to demonstrate the effectiveness of emission controls or equipment modifications intended to reduce emissions.

In source test witnessing, District chemists and permit engineers have separate roles and responsibilities and each adds value. The chemist assures that proper testing procedures as delineated in the test plan are followed, advises the tester of deviations from the agreed upon procedures, evaluates and acts upon requests to deviate from the approved test plan and documents the testing. The engineer assures equipment operation (e.g., process loading rate) is appropriate for the test, assures no adjustments are made during the test and documents operational parameters of the equipment being tested. The chemist, engineer and contractor are responsible to assure the equipment being tested meets District standards prior to issuance of a Permit to Operate. A District test chemist is present for all tests conducted by a contractor. However, the chemist does not schedule arrival until after test setup and will normally depart prior to test teardown.

The California Air Resources Board document "Criteria for Assessing District Enforcement and Permitting Program Adequacy" (1994) contains guidelines for source testing by air districts. It provides a systematic and comprehensive approach to oversight of these activities to assure the quality of the final work product, i.e., the test results. This guidance specifies that all source tests conducted by contractors shall be observed by trained district source test staff and that operating parameters observed during initial source tests be reflected in the source's permit. The District uses this guidance in implementing its source testing program.

During FY 1996-97, less than one-half staff year was spent by the Source Testing Section on all activities associated with initial test witnessing and less than one-half staff year on all activities associated with renewal test witnessing.

Initial Testing

Less than 10% of new and modified permits require initial compliance source testing before approval. The District witnesses initial compliance tests to ensure that the tests are conducted properly, that the equipment is operating as expected, and to record operating parameters for use in creating final permit conditions.

By ensuring the adequacy of the initial source test, compliance problems are identified early when the facility has better leverage to effect corrections by equipment manufacturers and installation contractors. Compliance problems missed by an inadequate initial test but found two or three years later by the District during a renewal source test put a facility at a far greater disadvantage in seeking remedies from equipment suppliers/contractors.

Initial compliance testing also provides a benefit to facilities by providing a measure of certainty and confidence in dealing with project opponents, other agencies and members of the public. That confidence would be diminished with less rigorous test witness practices.

The District has already initiated changes to its test witnessing practices to reduce costs and resource demands. Engineers have changed inspection practices to reduce their presence during initial testing as appropriate. For most in-situ soil remediation projects, initial (and renewal) tests are no longer required. For tests of routine types of equipment, such as boilers and engines with straight forward emission controls, the permit engineer combines the permit evaluation inspection with the source test. This eliminates one site visit and results in average savings of approximately $200 to $300 for permits requiring testing. If the engineer has previously observed the equipment in operation, the chemist may gather operational data during the test in lieu of having the project engineer present. The District will develop written guidance to the engineers regarding initial test witnessing.

For initial source tests of large hydrocarbon sources with emission control equipment, toxic emission sources, combustion and particulate sources with complex controls and/or complex operational conditions, more rigorous observation by the permit engineer is needed to ensure test results are representative of appropriate operational conditions and that parameters occurring during the testing are documented for use in establishing permit conditions. For these types of initial compliance tests, the engineer will typically stay at the site only long enough to conduct the permit evaluation inspection, to ensure equipment is operating under the conditions specified for testing, and to collect needed operational data.

Renewal Testing

Less than 5% of existing permitted equipment require ongoing renewal source testing. Approximately 80% of these tests are conducted by the Source Test Section and 20% are conducted by contractors and witnessed by the District. These latter renewal tests conducted by contractors are typically for very large, complex hydrocarbon sources, utility boilers and cogeneration plants with continuous emission monitors requiring annual certification, and hospital sterilizers with toxic air contaminant emission controls.

Ongoing renewal tests ensure that equipment and air pollution controls operate in compliance with established emission standards. Failure of equipment to operate in compliance means reduced effectiveness of District programs and, in some cases, potential adverse public health impacts.

The District witnesses renewal tests conducted by contractors (less than 1% of all permitted equipment) to ensure equipment is operating as expected and the tests (or Continuous Emission Monitor re-certification tests) are conducted properly.

Regarding renewal testing done by the District, for the last two years, Engineering participation has been significantly reduced. For over seventy-five per cent of the testing, source test chemists have recorded all operating parameters and observed equipment operation. This, in conjunction with other improvements, has resulted in significantly reduced labor hours (30-40%) for routine tests. This has enabled the District to lower fixed fees for these tests in spite of labor cost increases in excess of twenty per cent. For example, the actual fee for a particulate test is less now than it was a year ago.

For renewal compliance tests of large hydrocarbon sources and hospital sterilizers, a District engineer will typically be present during a portion of the test to collect operational data, verify proper equipment operation, perform equipment leak checks (as appropriate) and review material usage records. For Continuous Emission Monitor (CEM) re-certification testing, a District chemist will generally witness one-half of the CEM re-certification testing, the minimum allowed by EPA requirements. A District engineer will not typically be present during CEM testing. There are few other equipment types that are routinely tested and witnessed by the District. Test witnessing requirements for such equipment are handled on a case-by-case basis.

Test Witnessing

In general, source tests must be witnessed so the results can be relied upon when a final decision is made whether to issue or renew a permit. This protects both the public, which relies on the District to implement and enforce emission standards, and the source.

Data over the past two years has shown that even when a source test protocol is approved in advance, testing is done by an ARB-certified test contractor and the District is present to witness testing. Many test contractors, who are operating under a budget constrained by their contract, have tried to take short cuts or deviate from the approved protocol. Even for ARB-certified contractors, this has occurred in the great majority of tests. In addition, the District chemist witnessing the test is often called upon to make on-site decisions concerning whether changes in the testing can be made without voiding the test. Without this on-site District resource, more tests will be at risk of being invalid and having to be repeated at increased cost to the site (or test contractor) and increased resource demands on the District.

The District proposed changes to its source test witnessing practices as follows:

- When testing will be done by a contractor not certified by the California Air Resources Board (ARB) for the type of test to be performed, the District will plan to have a chemist witness the entire test. However, if

the work appears to be in accordance with established criteria, the chemist will discontinue witnessing prior to test completion.

- When testing will be done by a contractor certified by ARB for the type of test, the District chemist will plan to witness only about one-half the test. However, if the test contractor work is not in accordance with established criteria, the chemist will document the deficiencies, require them be corrected and remain to witness the entire test.

- In either case, if the facility requests the District witness the entire test (and agrees to pay District costs for doing so), the chemist will witness the entire test.

- The District will compile a record of performance by test contractors whose work has been witnessed. The District will make this information available to sources to assist them in selecting a test contractor. This information may also be used by the District to determine if future test witnessing can be further reduced for certain contractors.

The District held a joint meeting with its external customer process improvement teams, the Source Test Improvement Team, the Compliance Improvement Team, and the Air Pollution Permit Streamlining Team to discuss potential implementation of the District proposal. After discussion, this issue was referred to the Source Test Improvement Team for further review and recommendation.

After reviewing actual historical data on test witnessing, the Source Test Improvement Team found that only about 8% of the tests witnessed would have met the proposed criteria for a reduced level of witnessing. An additional concern was the time and resulting costs associated with implementing a program to monitor contractor performance. As a result, the Source Test Improvement Team recommended current District test witnessing practices continue. Data for the next fiscal year (FY 1998-99), reflecting availability and use of standardized protocols, will be reviewed in the third or fourth quarter of 1999 to determine if reductions in witnessing might then be appropriate.

Regarding the possibility of decreasing the frequency of required compliance source testing for consistently-complying facilities, the District has already implemented reduced test frequency in specific cases. Current procedures allow test frequency flexibility on a case-by-case basis for sites where operations have been significantly reduced and for certain source categories based on compliance history and other factors. Examples include perlite plants, certain types of crematories, and low usage gas turbines.

Only about 200 pieces of equipment were scheduled for annual permit renewal source tests in FY 96-97; less than 5% of all permitted equipment.

Results of the source test benchmarking study showed equipment types tested and the testing frequency in San Diego are aligned with other benchmarked districts. In addition, guidelines published by the California Air Resources Board specify that air district source testing programs must

require annual testing of permitted units at major emission sources and sources where the only means of compliance verification is through source testing. For minor sources, the criteria specifies an initial test upon start-up followed by periodic testing at intervals determined by the district.

Past experience shows that increased source test frequency promotes compliance for some sources. In addition, the District has and will continue to work with business customers through the Air Pollution Permit Streamlining Team, the Compliance Improvement Team and the Source Test Improvement Team to evaluate the need for annual source tests for certain types of equipment.

Conclusion:

Initial and renewal testing is witnessed to ensure it is conducted properly, equipment is operating in a manner representative of ongoing operations, and to collect data needed to establish and enforce permit conditions that enhance ongoing compliance. Less than 10% of new and modified permitted equipment requires source testing. Less than 5% of existing permitted equipment requires ongoing renewal source testing. Less than 20% of these renewal tests are done by contractors and witnessed by the District.

The District will continue to witness initial and renewal source tests. Using an ARB-certified test contractor and a District-approved test protocol does not ensure a test contractor will not take short cuts or allow inappropriate test conditions and thus produce erroneous or invalid test results.

The benefits of reducing test witnessing have been evaluated in collaboration with external customers. The consensus was that such a change would not be beneficial at this time. It was also agreed this finding will be reevaluated in approximately 18 months.

District permit engineers have already changed procedures to schedule their permit evaluation inspections to coincide with routine initial source tests of engines and boilers not having complex emission controls. The District will continue to identify equipment categories where permit inspections can be done at the same time as initial source tests. This reduces costs for the District and applicants without diminishing the quality of testing. Typically, permit engineers will not be on-site for an entire initial source test and will not witness renewal source tests.

The current source test scheduling process has flexibility in determining test frequency that considers a number of factors, including compliance history. Within the next year, the Compliance Division and Monitoring and Technical Services Division will work with external customers on the Source Test Improvement Team, Compliance Improvement Team and the Air Pollution Permit Streamlining Team to review the source testing process to assess the potential for further flexibility.

Issue 6:

Since the initial source test team essentially works for the Engineering Division but is organizationally located in the Monitoring and Technical Services Division, efficiencies associated with moving the initial source test team to the Engineering Division will be evaluated.

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Analysis:

During FY 1996-1997, less than one-half staff year of chemist time (836 hours) was spent on all activities associated with witnessing initial source testing for the Engineering Division. During this same period, about 125 initial source tests were witnessed.

The District is proposing to reorganize its source testing staff, which consists of two teams (one for initial and non-routine testing, and one for routine renewal testing) into a single team. Both teams provide services to the Compliance and Engineering Divisions, including permitting, emissions inventory and rule development. In addition, source test staff in these sections receive direction on the sources to be tested, tests to be done, test frequency and related activities from the Compliance and Engineering Divisions. These staff are not typically utilized for other Monitoring and Technical Services Division activities. In essence, these staff are already aligned with their primary internal customers.

In the current organizational structure, staff in the two testing sections are also available to fill in for each other as workload needs dictate. Moving them to separate divisions would make this more difficult and significantly reduce the current flexibility. Further, the oversight and technical consistency provided by the two senior chemists and the Chief of Monitoring and Technical Services would not be available. It is also noted that both the Bay Area Air Quality Management District and the South Coast Air Quality Management District, the only other districts that do source testing, group their emissions testing staff with monitoring, laboratory and technical services activities, similar to San Diego.

By reorganizing the Source Test Section (combining the two sections into a single section), responsibilities for both initial and renewal testing programs can be shared and efficiency improved. Because of this, and the relatively small amount of time spent by Source Test Section staff on initial test oversight activities, moving this (one-half) staff person to the Engineering Division will not result in cost savings but could result in inefficiencies and increased costs. Additional Engineering Division time would be spent supervising the coordination of that person's available time (not spent on initial test witnessing) with other tests and tasks in either the Source Test Section or the Compliance Division. In addition, that person's supervisor in the Engineering Division would now become involved in implementing changes in test procedures and practices that would otherwise be handled solely within the Source Test Section. This could result in communication and/or coordination problems that would lead to inconsistencies and inefficiencies.

One aspect of initial source test witnessing that has been a problem in the past and may have prompted the suggestion to analyze the feasibility of relocating the source test staff to the Engineering Division, was communication between the permit engineer and the source test chemists regarding the cost and status of projects. This led to frustrations for sources and District staff. Policies and procedures have been put in place to reduce these kinds of problems. The District will continue to examine the procedures for tracking costs, and project status and results of initial source test projects to identify and implement further improvements.

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Conclusion: Currently, less than one-half staff year is spent by the Source Test Section on all activities related to witnessing initial source testing. The Test Witnessing and Renewal Testing staff will be reorganized into a single section with shared responsibilities. Because of the relatively small amount of time spent on initial testing, moving the staff associated with initial testing to the Engineering Division is not recommended. Such a move could result in inefficiencies, inconsistencies and increased costs. Additional procedures for tracking costs, status and results of initial source test projects are being reviewed to identify and implement improvements.

Issue 7: Once a Permit to Operate is approved by an engineer, it takes too long for the customer to get the actual Permit to Operate. The responsibility for ensuring the customer is provided the end product is bifurcated. There may be cost savings associated with reviewing and improving this process. In addition, there are other substantial permit processing support functions, primarily associated with revenue processes, provided to the Engineering Division by the Support Services Division. Potential efficiencies associated with moving these activities to the Engineering Division will be evaluated.

Analysis: The District has reviewed its procedures regarding permit issuance once the engineering evaluation of the permit application is complete. In the past, actual printing and mailing of the approved permit was delayed until all staff labor charges and fees had been reconciled and all fees due had been paid. This sometimes resulted in significant time lags between permit approval and actual permit receipt. Because written direction has been provided requiring permit processing engineers to eliminate permit application evaluation costs from exceeding fees paid, the District determined it should revise its procedures to allow the permit issuance to proceed with any remaining fees due or fee refunds to be reconciled after permit issuance. In addition, the District's legal counsel opined that the District could take appropriate enforcement action (including permit revocation) if the permittee subsequently failed to pay fees owed.

Accordingly, the District has implemented procedural changes that allow permits to be issued once approved, and for any remaining fee issues to be reconciled as soon as possible after permit issuance. In addition, the Board revised Rule 40 in December 1997 to allow permits to be issued pending full payment of fees.

The District has examined whether there are opportunities for efficiency improvements associated with moving permit and revenue-related Support Services activities to the Engineering Division. The support staff provide these services to the Compliance Division, the Monitoring and Technical Services Division, and to several sections within the Engineering Division. To distribute these staff to the divisions they provide the most support to will not likely result in cost savings and would likely result in reduced level of service to the other divisions. If they remain operating as a pooled resource to the three divisions, their current placement in the Support Services Section seems most appropriate. However, communication and collaborative efforts between Support Services and the divisions can be improved. This is being approached through cross-functional teams working on shared problems.

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Conclusion: The District has determined its policies can be revised to expedite initial permit issuance once the Engineering evaluation of the permit application is complete. Necessary changes to policy have been made. Parallel changes needed to District Rule 40 were adopted in December 1997. Improvements in Support Services/Engineering interfacing are being explored. No immediate organizational changes are recommended.

Issue 8: The long-term benefit, cost, and level of commitment for using electronic forms for submitting permit-related documents will be evaluated. Currently, computer discs allowing permit applications to be submitted electronically have been developed. These need to be made generally available and the program "marketed" if this approach can save money. In the longer term, the value of providing Internet access to District forms and information will be evaluated.

Analysis: In cooperation with the industry/District Air Pollution Permit Streamlining Team, electronic versions of general application and supplemental application forms have been developed. These were advertised at the 1996 and 1997 Industrial Environmental Association conferences. In addition, the District has distributed a general advisory to all permit holders informing them of the availability of the current electronic forms. The District is also evaluating providing the forms in a simple word processing format as well as making them available on the Internet.

Conclusion: The District has developed electronic versions of permit application forms and is making customers aware of the availability of these forms.

Issue 9: Assuming no new state and federal mandates, there are program elements that may require less resources in the future. With a focus on the FY 1998-99 and 1999-2000 budget cycles, anticipated resource reductions in the Engineering Division will be evaluated.

Analysis: Please see Issue 3.

Conclusion: Please see Issue 3.

Issue 10: The possibility of establishing minimum baseline emission levels for air toxics so risk assessments are not required for minor projects needs to be addressed.

Analysis: The District began evaluating the public health risks from new and modified sources of toxic air contaminants in the early 1980's to reduce the potential for adverse public health impacts from toxic air contaminant emissions. Initially, only a few large and controversial projects were evaluated. About 10 years ago, the scope of reviews was expanded to include more common types of permitted equipment. In 1996, the District-adopted Rule 1200 to require evaluations on all new and modified sources of a large number of potentially toxic air contaminants. As the number and complexity of projects requiring evaluation increased, problems began to arise with the costs of reviews and permitting delays.

The District has developed streamlined toxics New Source Review (NSR) procedures that include de minimis emission tables for qualifying projects.

These tables are health conservative for the projects they apply to, but not so health conservative they are not useful in screening out low-risk projects. This has been reviewed in cooperation with the Air Pollution Permit Streamlining Team to incorporate external customer input.

A cross-divisional District team has also been focusing on improving toxics NSR evaluation procedures and has developed several significant measures. These include the de minimis emission tables discussed above, training for permit processing staff, identifying equipment types that have a high probability of requiring screening analysis and new toxics supplemental data forms. The latter will be made a part of the standard application package for the high probability equipment types to ensure that the information required to do an evaluation is provided up front with the permit application rather than requested by the permit engineer after the permit evaluation is well underway.

The District is also evaluating additional screening tools for certain categories of permitted equipment that frequently require a toxics assessment, and for projects that may have nearby receptors that cannot use the initial screening tools described above. Equipment-specific screening tools could mean fewer applications will require more detailed evaluations. Similarly, screening tools for projects with nearby receptors could also mean fewer projects will require more detailed reviews.

The combined effect of these measures will reduce the number of projects that will need a toxics screening risk assessment, and to reduce cycle times and costs for those projects that will still require a risk assessment.

Conclusion: An internal District work group is near completion of a procedural document that will establish a first round of de minimis emission levels and streamlined procedures for permit engineers to determine when a risk assessment will be required. This document will be finalized early in 1998. These changes should reduce the need for risk assessments by about 20%. A follow-up effort will look at procedures to address projects with nearby receptors and develop source-category specific screening tools.

Issue 11: Good progress is being made by the District/Business Title V work group; however, our business customers are concerned about the program being driven by the need to get initial Title V permits out and sacrificing quality in a rush to get a process in place. The time necessary to get a quality process should be invested to assure a consistent approach by the engineers evaluating these permits. This same concern applies to synthetic minor sources.

To address this, Title V personnel developing this program/process will work with Toxic Program personnel regarding the best means of dealing with an entire facility as they have done with the AB2588 program. Achieving standard outcomes and procedures among different engineers dealing with diverse, complex systems has been addressed in the AB2588 program.

Analysis: The District's Title V permitting staff have consulted with the Air Toxics program staff to identify ways to avoid problems with facility-wide

evaluations. In addition, the District is meeting with industry representatives on an ongoing basis to develop uniform procedures and permitting language. Title V permits have not yet been issued due to continuing issues raised by industry and the federal EPA. The District is working to resolve those issues to the extent possible before formally proposing Title V permits for EPA and public review. However, the District must begin to issue these permits soon to avoid EPA imposing their own permit program.

Conclusion: The Title V permitting staff have consulted with the Air Toxics program staff to identify ways to avoid problems with facility-wide evaluations. The District is also meeting with industry representatives to develop uniform procedures and permitting language. Title V permits have not yet been issued due to continuing issues raised by industry and the federal EPA. The District is working collaboratively with businesses and EPA to resolve those issues.

Issue 12: There are 300 to 500 pieces of portable equipment with varying permit conditions depending upon which version of the New Source Review rules they were permitted under. The portable equipment registration rule is proposed for adoption on May 21 (1997). This needs to be followed by a project to go through the permit conditions for this equipment and revise them, as necessary, for consistency. This is a high priority among affected business customers.

Analysis: As is the case with stationary emission units, new portable units for which permits are required are generally subject to increasingly stringent emission control requirements under New Source Review (NSR) rules. Thus, it is not surprising that there are differences in permit conditions among the existing permitted portable units. The same is true of stationary equipment, depending on when it was permitted under NSR or pre-dates NSR.

With the adoption of District equipment registration Rules 12 and 12.1, and adoption of a statewide portable equipment registration program by the ARB, owners and operators of eligible categories of portable equipment have several options for changing their current permit requirements: they can register under Rules 12 or 12.1, as applicable; they can register under the ARB program; they can apply to the District to be re-evaluated and re-permitted under the current District NSR rules; or they can continue to operate under their current permits.

At the request of representatives of portable equipment owners and operators, the District held a meeting in mid-1997 to discuss the above options. It was agreed by these representatives that they would identify several test cases for evaluating these options and, as appropriate, submit applications to register or modify permits. The District is awaiting a response from the representatives. Without this response, the District could misdirect considerable resources reviewing hundreds of current portable equipment permits, proposing modifications, and later find that the proposals do not comport with the needs of the permit holders. Meanwhile, several hundred applications have been received by the District in the last year or more to register portable equipment. This appears to be the option of choice for many in the industry.

Conclusion: Because District NSR requirements change over time, there will be variations in permit conditions of portable equipment depending on when it was initially permitted. The District has met with representatives of portable equipment operators and identified several options available to improve the consistency of their permits. The representatives offered to evaluate which option(s) best met their needs and pursue those options with the District. The District is awaiting a response from these representatives on this issue.

Issue 13: An additional project needs to be implemented to determine if there is additional equipment that may be subject to a registration system rather than the rigorous permit processing system.

Analysis: The categories of equipment currently eligible for registration under District Rule 12 were previously identified by the District in cooperation with the Air Pollution Permit Streamlining (APPS) Team. In general, they are equipment types for which a full permit review results in no further emission reductions, and there are no equipment type-specific prohibitory rules which establish emission standards. As part of identifying these types of equipment, the District also identified categories of equipment which could be exempt from both permitting and registration programs. These additional exemptions were incorporated into recent changes to District Rule 11. In addition, the District has adopted Rule 12.1 which allows additional categories of equipment to be registered rather than permitted. Rule 12.1 registrations have the further advantage of being honored in other air districts having companion rules. Thus, registered portable equipment can operate in San Diego, South Coast, San Joaquin and other air districts without having to register with each individual air district.

The potential for any additional equipment categories for which registration rather than full permitting is appropriate has been discussed recently with the APPS Team. No further categories have been identified to date. However, this will continue to be assessed periodically as an ongoing option. No additional categories of equipment for registration have been suggested.

Conclusion: In the last several years, the District, in conjunction with the APPS Team identified categories of equipment which could be exempted from permits, or registered under a process less expensive than full permitting. This appears to have been well received by the majority of industry. Identifying additional equipment categories for registration has been discussed with the APPS Team but no further categories have been identified to date. However, these will be reconsidered periodically.

Issue 14: A big irritation to businesses is that if an incorrect fee is submitted the application and fee are sent back, frequently without explanation. The customer then has to call around to find out why. This introduces inefficiencies and adds cost to the process. There were two suggestions for addressing this. The first was to accept the fee to get the evaluation started and request any additional amount of money separately, specifying a deadline, if necessary. If the money is not received by the deadline, the work can be stopped. The second was simply that a letter from an applicant saying that any additional fees will be paid by a specified date should suffice

to allow an application to be processed. This will be evaluated and resolved.

Analysis: The District's Permit Processing Section currently uses the following procedure if fees are incorrect or an application is missing required information:

1. Permit Processing calls the applicant and explains the problem with the fee submitted.

2. If the applicant elects to send or bring in the correct fees or gives other instructions regarding the application, the fees and application will be held for up to two weeks until this is done.

3. If the applicant cannot be reached immediately, follow-up calls are made periodically during a two-week period. Approximately 80% of applicants are reached by phone. About 50% of these say they will send or bring in the additional fees. The other 50% ask that the application and fees be sent back. Of the 50% who say they'll send or bring in the additional money only about 40% actually do.

4. If fees have not been received within two weeks after contacting the applicant, an additional phone call is made. If the applicant cannot be reached to resolve the issue at that time, the application and fees are sent back with a cover letter identifying the problem and explaining the needed corrections.

5. If Permit Processing is unable to reach the applicant by phone for two weeks after receipt of an incomplete application or incorrect fees, the application and fees are returned to the applicant with a cover letter identifying the problem and explaining the needed corrections.

The application and fees are returned with a cover letter only if the applicant cannot be reached by phone, or the applicant is contacted and requests the items be returned, or the applicant states the correct fees will be provided but does not do so within two weeks. Applications are not returned without a cover letter. The cover letter identifies the problem and provides information on correcting the fees or application information.

Conclusion: District application and renewal fees are no longer returned without first attempting for up to two weeks to reach the applicant by telephone to resolve an incorrect fee problem. Rule 40(a) states that no application shall be considered received unless accompanied by the appropriate fee. It does not permit accepting applications with partial fees for good business reasons. Many fees are fixed fees and the applications are processed quickly. Partial payments would delay completion of applications. In addition, accepting partial fees would create deficits due to non-payment, open a floodgate of late payments impacting cash flow, and would require implementing a partial fee collection tracking system, increasing indirect costs. Accepting partial fee payments is not a sound business practice and should not be implemented.

The District Permit Processing Section is continuing to improve the current process. They make every effort to personally notify the applicant when an application fee is incorrect. An internal team is reviewing the cover letter that accompanies returned applications and fees. The team will recommend revisions to the cover letter providing more detail to applicants as to why their application and fees are being returned and necessary corrections. Recommended changes to the notification letter will be submitted to the Air Pollution Permit Streamlining Team for review and comment.

Compliance Division

Issue 15: The need to witness all compliance (renewal) source testing or even an entire test will be addressed, especially if a source test protocol has been approved and an ARB-certified contractor is doing the work. If a compliance source test is witnessed by the District, staffing resources needed to do so will be evaluated. In addition, the possibility of decreasing the frequency of required compliance source testing for consistently-complying facilities will be evaluated.

Analysis: Please see Issue 5.

Conclusion: Please see Issue 5.

Issue 16: Since the compliance (renewal) source test team essentially works for the Compliance Division but is organizationally located in the Monitoring and Technical Services Division, the possible efficiencies associated with moving the compliance source test team to the Compliance Division will be evaluated.

Analysis: Based on an evaluation of staffing associated with source testing (Please see Issue 27.), the District will reorganize its source testing program from two sections (initial and non-routine testing, and routine renewal testing) into one. Currently, both source test sections provide services to the Compliance and Engineering Divisions, including permitting, emissions inventory and rule development. In addition, source test staff receive direction on the sources to be tested, tests to be done, test frequency and related activities from the Compliance and Engineering Divisions. These staff are not typically utilized for other Monitoring and Technical Services activities. In essence, these staff are already aligned with their primary internal customers.

In the current organizational structure, staff in the two testing sections are also available to fill in for each other as workload needs dictate. Having them in separate divisions would make this more difficult. Current flexibility would be impaired by the more rigid structure proposed (i.e., relocating a portion of the Source Test staff to Engineering and a portion to Compliance). In addition, relocating all source testing activities to the Compliance Division does not appear to provide any cost savings. Further, the technical oversight and consistency provided by the Chief of the Monitoring and Technical Services Division would not be available. Both the Bay Area Air Quality Management District and South Coast Air Quality Management District, the only districts that perform emissions testing, have

grouped their emissions testing with their monitoring, laboratory and technical services activities.

Conclusion: Staff in the Source Test Witnessing and Renewal Testing Sections provide services to customers in the Compliance and Engineering Divisions. These internal customers determine and prioritize emissions testing work projects. The current organizational location of staff provides needed flexibility for customers and optimizes utilization of resources. A change is not recommended.

Issue 17: In 1993, the mutual settlement program was significantly modified to enhance consistency and define procedures and time lines. A Notice to Comply program was also implemented. There is still substantial dissatisfaction with the way the program is currently operating. Further, initial review indicates further streamlining may be appropriate. Accordingly, the program will be subject to a focused review including benchmarking all aspects of this activity against other appropriate California district mutual settlement programs. Methods for improving customer relations, assuring consistency, and streamlining procedures will be emphasized.

Analysis: A Mutual Settlement program provides a means of settling violations without litigation. This process saves time and money for the District and businesses receiving violations. Several improvements have been implemented as part of continuous process improvement. Examples include revised mutual settlement letters to eliminate the request for "proof of compliance" when such proof is not needed. The violation document preparation process has been streamlined by eliminating the violation summary statement. The mutual settlement support workload has been redistributed to expedite violation processing and to ensure a continuous document flow through the mutual settlement process. The Notice to Comply (NTC) form has been revised to reflect recent changes in state law and make it easier for the violator to respond. Several additional improvements are proposed to streamline the mutual settlement process. They include:

Reducing types of Mutual Settlement letters. Originally, there were eleven types of letters sent for various purposes. The number of letters have been reduced to seven by eliminating some and revising others to serve several purposes. One example is eliminating the final letter for small violations (penalty amounts less than $500). Previously, after discussion and agreement with the source on a penalty amount of less than $500, a letter was sent to document the agreement. This letter was unnecessary in most cases. Now, the Civil Actions Investigators will be entering the negotiated penalty amount in the Notice of Violation folder and in the District's computerized data base together with discussion notes. The violation will be closed out once the penalty money is received.

Recovering Notice of Violation/Mutual Settlement Program noncompliance costs. There are considerable costs associated with resource-intensive violations such as public nuisances. The District is now tracking labor costs associated with

such violations for use in calculating and recovering noncompliance costs as part of the violation negotiation process. If these costs are recovered as part of the penalty process, they will not be included in labor charges for the related fee schedule. This reduces costs paid by other permit holders through fees.

Recovering the cost of Notice To Comply follow-up actions. If a source does not respond to a Notice to Comply or has not demonstrated compliance, follow-up action (e.g., inspections) is necessary. The District will begin tracking labor costs associated with follow-up activities for use in invoicing the source for noncompliance cost as provided for in Rule 40. Noncompliance costs recovered from such sources will not be included in labor charges for the related fee schedule. This reduces costs paid by other permit holders through fees.

Eliminating follow-up phone calls on a Notice To Comply. When there is no response to a Notice to Comply (NTC), the practice has been to make two phone calls before sending a letter advising that a response to the NTC is required. Past experience has shown the letter is more effective. The District is eliminating the phone calls and will send a no-response letter 30 days after the NTC is issued. If there is no response to the letter, the District will conduct a follow-up inspection, invoice the site for the re-inspection, and close out the NTC if the problem has been corrected or issue a Notice of Violation if corrective action has not been taken.

Small Claims Court. A small claims referral process has been developed. A pilot study is being proposed for using the small claims court process to resolve smaller violations where a violator refuses to respond or to settle. A significant number of violators refuse to settle each year. Such cases are difficult to resolve and exacerbate the violation backlog. The District will review the pilot study with the Compliance Improvement Team (external customers) and County Counsel.

Customer Service Survey. External customers will be surveyed to measure the level of service provided by the Mutual Settlement staff and areas where process improvement is needed. A draft survey has been reviewed and approved by the Compliance Improvement Team and is being used.

A survey was conducted of five air pollution control districts to develop a benchmark for evaluating San Diego's Mutual Settlement program. Benchmark questions covered program description, program costs and revenues and process efficiencies. It focused on violation processing, program efficiency and cost recovery. The survey included the South Coast Air Quality Management District, the Bay Area Air Quality Management District, Ventura County Air Pollution Control District, San Joaquin Valley Unified Air Pollution Control District, Santa Barbara Air Pollution Control District and Monterey Bay Unified Air Pollution Control District. The results indicate the District's program is in line with those of other districts.

ATTACHMENT VI: Responses to Business Customer Issues Related to Cost Containment

A table summarizing results follows. A report, Mutual Settlement Benchmarking Study, is available from the District upon request.

COMPARISON OF MUTUAL SETTLEMENT WORKLOAD, STAFFING, COST & REVENUE

WORKLOAD	San Diego	A	B	C	D	E
Notices of Violation Closed						
1994	874	552	1248	158	375	970
1995	955	286	1510	34	390	833
1996	1219	272	1286	47	410	668
Notices to Comply Closed						
1994	395	30	153	42	127	NR
1995	725	40	542	128	88	NR
1996	1293	50	681	101	87	NR
STAFFING						
Staff Years						
Notice of Violation	2.75	0.6	4.2	2.0	1.05	16
Notice to Comply	.75	0.1	0	6.0	(no data)	(no data)
AVERAGE COST						
Per Notice of Violation	$150	$161	$90	NR	$190	NR
Per Notice to Comply	$75	$63	NR	NR	NR	NR
NOV Staff Cost Per Year	$151,516	$53,833	$120,249	NR	$70,000	NR
NTC Staff Cost Per Year	$51,051	$2,530	NR	NR	NR	NR
AVERAGE REVENUE						
Per Notice of Violation	$184	$639	$355	$387	$291	$1,885
Per Year	$186,113	$218,952	$475,735	$23,333	$114,709	$1,573,489

(Districts surveyed included Monterey, SCAQMD, Santa Barbara, San Joaquin, and Ventura. Staffing and program cost by all districts except San Diego are estimates.)

(NR = not reported)

Conclusion: Mutual Settlement processes continue to be evaluated by staff and improved in order to reduce costs and improve customer service. The District has completed the benchmarking survey of its Mutual Settlement program. The results indicate the District's program is aligned with other districts. Mutual Settlement process and Mutual Settlement benchmark results are being reviewed with external customers on the Compliance Improvement Team.

Issue 18: Consideration needs to be given to publishing standard fines and minimum and maximum fines associated with a given violation. Also an itemized breakdown of fines, by violation, where there are multiple violations has been suggested. Currently, businesses are advised of a specific fine with no link to what portion is associated with each violation.

Analysis: The District calculates penalties on a case-by-case basis using the mitigating factors in state law and the unique facts of each specific violation. Experience has shown that if specific information on penalty calculations is published, the violator will focus on the amount in the schedule rather than on the specific aggravating or mitigating factors that influence the final penalty. The District should continue to keep this information confidential as is done in the South Coast Air Quality Management District. However, more details on how the initial penalty amount is determined should be provided to the violator.

Currently, the initial mutual settlement letter invites the violator to call or set up a meeting to discuss the violation. The letter contains no penalty amounts. During this interaction, the penalty amounts are discussed for each violation and an explanation given as to how these amounts were derived considering any aggravating or mitigating factors. Since customers have asked for more details in the initial Mutual Settlement letter, an itemized breakdown of the penalty amount will be provided. This lets the violator know how the penalty was calculated and allow that person to decide whether or not to attempt further penalty reductions or pay the amount offered, enhancing customer service.

Conclusion: The District will not publish a schedule of penalties by violation. However, more details on how the initial penalty amount is determined will be provided.

There is currently no breakdown of fines by violation. The District will modify this process by itemizing the penalty amounts for various violations in the body of the mutual settlement letter or as an addendum.

Issue 19: Since the Notice to Comply (NTC) program has been initiated, Notice of Violations (NOVs) have substantially been reduced along with penalty negotiations. Accordingly, the need for two Civil Actions Investigators will be reviewed. If there is sufficient workload for two positions, the need for both positions at the same level will be evaluated. Also, since Hearing Board activities have also been reduced, the possibility of the person handling the Hearing Board matters helping with Civil Actions activities and, thus, allowing a position to be eliminated will be evaluated.

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Analysis:

It was expected the number of NOVs and associated workload would diminish with the introduction of the NTC program. However, that has not been the case. The number of NOVs has increased, in part, due to increasingly complex rules and an increase in the number of regulated sources. This has offset reductions in NOVs anticipated from implementing the NTC program.

There are two Civil Actions Investigators assigned to the Mutual Settlement program. Based on labor tracking data, the average number of labor hours for a Civil Action Investigator to process a NOV is 1.62 and 0.6 for a NTC. There were 1,272 NOVs and 1,503 NTCs issued, and 1219 NOVs and 1293 NTCs closed out in FY 1996-97. This equates to 2,751 hours or 1.5 staff years. Non-direct activities such as staff meetings, legislative review, training, team participation, and other specialized projects account for the remaining 0.5 staff year. In addition, there is currently a backlog of about 1,000 violations pending settlement. To reduce this backlog, the Hearing Board AQI III will now split time between the Hearing Board and Mutual Settlement program. This person's Title V and NESHAPs responsibilities have been reassigned to other AQI III staff.

Over the next several years, violation activity may increase due to new requirements for automotive refinishing operations (400) and boilers (262), and implementation of new federal requirements for hazardous air pollutants. Additionally, time spent settling violations issued to Title V permit sources will likely increase.

The need for two positions at the same level has been evaluated. The nature of the workload was analyzed by comparing specific tasks and the volume of Compliance Division documents processed (NTCs and NOVs). On the surface, it appeared logical and possible to divide the NTC and NOV work by assigning NTC work to a lower position. However, upon further review, this did not appear practical or efficient. Frequently, NOVs and NTCs are issued simultaneously to a single source. It would not be practical or efficient to have two people handle these separately. Additionally, some unresolved NTCs result in NOVs if noncompliance is not corrected. It would not be efficient to transfer the NTC file to another person who handles only NOVs and is unfamiliar with the case. This is not good customer service.

Workload levels for this program will continue to be monitored. If the number of violations do not significantly increase, the backlog is significantly reduced, and process improvements and streamlining efforts improve efficiency, reducing or reassigning resources will be reviewed for FY 1999-2000.

Conclusion:

The labor hours required to accomplish the current workload in the Mutual Settlement program and the tasks assigned to the AQI III handling the Hearing Board program have been evaluated. Based on this review, it is not feasible to reduce staff levels at this time. Work levels for all three positions will continue to be monitored. If there are no increases in responsibility or work levels and streamlining, automation, and/or increased efficiencies reduce the resource demands in these areas, it may be feasible to reduce or reassign resources in FY 1999-2000.

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Issue 20: The current support-staff resources needed in this Division (Compliance) will be reviewed as well as the staff-to-supervisor ratio.

Analysis: Support-staff resources are reviewed in Issue 21.

Air Quality Inspector III's (AQI III) are responsible for numerous activities in addition to supervising field staff. AQI III's are the technical experts on compliance matters for the division. They are the focal point in providing assistance and direction to Compliance Division staff and the public. Each AQI III has the skills and knowledge necessary to effectively resolve day-to-day compliance problems including rule explanation and interpretation, application of appropriate rules, guidance on actions needed to achieve compliance, and alternative solutions to compliance problems. AQI III's also conduct complex site inspections and sensitive complaint investigations. Additionally, each AQI III is responsible for one or more compliance programs. Further, because of the complexity of District requirements, each AQI III is the point of contact for rules associated with assigned compliance programs. As such, they must ensure program consistency, lead rule-related meetings, and assist in drafting rule-related policy memos.

Since 1994, AQI III work levels have steadily increased including participation in new mandated programs such as Title V, National Emission Standards for Hazardous Air Pollutants, and Air Toxics Control Measures-related compliance programs. The District's Total Quality Management program has added new responsibilities in the form of participation on teams, training and implementation of Total Quality Management principles. Enhanced customer service has also increased demands on AQI III time as it requires more time spent interacting with other regulatory agencies, the public and industry. Both internal and external customers have experienced a marked improvement in the services offered by the Compliance Division.

Each supervising AQI III supervises four to five staff. Based on labor tracking information for FY 1996-97, approximately 45% of each supervisor's time is spent on direct supervision. These hours represent the time supervisors spend conducting in-field supervision, one-on-one supervision in the office, performance evaluation and time sheet approval. Additional time (approximately 25%) is spent reviewing staff work products, defusing issues and assisting regulated businesses in solving compliance problems. Although this time is charged to stationary source program support, it is an integral part of supervision as an oversight function.

In FY 1995-96, one AQI III position was added to handle increased work on Title V compliance issues and to develop new business outreach and compliance assistance programs. Based on a recent evaluation of tasks assigned to this position, the District will reassign or eliminate some tasks and this position will be filled at a lower level.

Conclusion: Support-staff resources are reviewed in Issue 21.

The workload level of AQI III's have been evaluated and it is not recommended to reduce staff as work assignments continue to increase.

However, in FY 1998-99, one AQI III position can be filled at a lower level and will be replaced by a non-supervising Associate Air Resources Specialist position. This position will oversee the Compliance Assistance program. Field staff currently assigned to this AQI III will be reassigned accordingly.

Issue 21: The support-staff resources needed in this division will be reviewed.

Analysis: Three Office Support Secretaries support the Compliance Division. Much of this support time is spent doing data entry, tracking deadlines and compiling data for management programs. In addition, staff in these positions handle thousands of contacts with internal and external customers, and process thousands of documents each year. Internal customers rely on quick turnaround of information requests. Field inspectors and regulated businesses are also provided timely information on permit status, cooling tower and other equipment registration status, complaint handling, asbestos notifications, breakdown tracking and variances.

The demands for the existing level of support remain whether staff are available or not. If support staff levels are decreased, the result will be to have more costly resources (higher paid staff) spending time providing these services. This also means services normally provided by higher-level staff will decrease.

Total Quality Management (TQM) emphasizes the need to measure and track data in order to evaluate process improvement. As the District continues to implement TQM, existing support staff will be required to handle additional data tracking processes. Without the necessary office support staff, the ability to do the required data tracking and compilation will be adversely impacted.

Conclusion: Based on an evaluation of the Office Support Secretaries' current workload and pending new assignments, a reduction in support staff is not recommended. These positions provide essential support to external customers, internal customers in other divisions as well as the Compliance Division. Existing staff levels are necessary to maintain a high level of customer service and handle the existing workload.

To reduce division support costs, the current Student Worker V position has been eliminated and most of the associated duties streamlined and shifted to office support staff.

Issue 22: Additional positions were recently added to find businesses operating without a permit. The intent is to level the playing field for other businesses operating with required permits. Assuming these conditions occurred because of chronic inspector vacancies, once the program has completed a cycle, the possibility of curtailing this program and continuing implementation as a part of normal inspector activities will be evaluated.

Analysis: Over the years, new business inspection activities dropped due to increased workload demands created by new, complex regulations and staff vacancies. During discussions with external customers, it was clear that the business community wanted greater compliance assistance and a level

playing field to ensure fair competition. The New Business Outreach inspection process was established to accomplish this task and is an element of the Results-Oriented Inspection Program endorsed by industry and environmental groups in the FY 1995-96 budget.

Initially, specific staff were assigned exclusively to do new business inspections. Based on evaluation of program data, this does not appear to be the most efficient approach. Reassigning this work to sector inspectors will reduce time because the sector inspector is familiar with the businesses in the sector and is already working in the area. New business inspectors are being reassigned to sector inspection work. All inspection staff will be assigned to do a minimum number of new business inspections each month and inspection activity will be tracked to ensure new business inspection goals are met.

Conclusion: The New Business Outreach inspection process will continue but the program will be integrated into routine field inspection work. The two inspectors assigned to New Business Outreach will be reassigned to field work. This program will be reviewed periodically to ensure routine inspection levels and new business inspections remain at an acceptable level.

Issue 23: There are substantial support functions, primarily associated with revenue processes, provided to this division by the Support Services Division. It may be more efficient to move those activities to the Compliance Division.

Analysis: The support function associated with revenue processing is provided by Permit Processing clerical staff who are assigned to input data and maintain the District permit system. Duties include new permits, updating revised permits, renewal and emission fee invoicing and data entry for new permit conditions and newly approved permits. Every work day, these support staff work directly with Compliance, Engineering, Data Management, Accounting, other support staff and the public. The level of interaction with a specific division varies from day to day.

Decentralizing these functions would reduce program efficiency and preclude cross training, continuous coverage, consistency and team problem solving. It would also hamper training new staff, streamlining processes and overall effectiveness, and is not recommended. However, the District is developing systems with internal controls to assure consistency in financial and permit information. This will improve permit system accuracy and in the future may reduce resources needed to maintain the data base.

Conclusion: A decentralization of staff is not supported by workload demands. However, resource needs may be reduced by automation and this support function will be reevaluated in FY 1999-2000.

Monitoring and Technical Services Division

Issue 24: Renewal and initial source testing will be subject to a focused review that will include benchmarking all aspects of this activity against other California district source test activities. Cost savings by means of contracting for all or

a portion of this activity will be evaluated. Overhead functions will also be looked at and any redundancy will be eliminated.

Analysis:

The District has conducted a detailed emissions testing survey of the South Coast Air Quality Management District (South Coast), Bay Area Air Quality Management District (Bay Area), San Joaquin Valley Unified Air Pollution Control District (San Joaquin) and Ventura County Air Pollution Control District (Ventura) - medium to large-size air quality districts. The study, San Diego Air Pollution Control District Source Test Benchmarking Results, is available from the District upon request.

The South Coast and Bay Area have source testing programs similar to San Diego's consisting of both testing and oversight of contractor testing. San Joaquin and Ventura only oversight contractor testing. San Joaquin has a substantial number of renewal tests but has not developed an in-house testing program primarily because of this District's large geographic size. Travel costs and overnight stays would make it prohibitively expensive. Ventura requires a fairly small number of tests per year compared to the other agencies surveyed.

Review of how contractor testing is handled by the districts surveyed documented considerable similarities. Each district requires a written approved protocol prior to testing. All have some level of required test witnessing. In San Joaquin, all tests are witnessed for the entire test, as is the current practice in San Diego. For the other three districts, about 50% of the tests are witnessed during test setup and for most of the testing. Reduced witnessing is based on contractor historical performance. All agencies require and review a written test report.

In general, the types of equipment tested and frequency of testing among the districts, including San Diego, is equivalent. Only San Joaquin reported testing steam generators in oil fields. The South Coast devotes considerable efforts to testing associated with the RECLAIM program.

An objective of the benchmarking study was a comparison of performance efficiency among the districts for the various elements of contractor testing oversight such as protocol review, report review, etc. However, none of the other districts maintain sufficiently detailed labor records to allow a quantitative comparison of staff time required to accomplish various process steps such as protocol review, report review, etc. Therefore, a comparison of overall performance was done as shown in the following table.

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COMPARISON OF TESTING WORKLOAD, STAFFING AND STAFF COSTS

WORKLOAD	San Diego	Bay Area	South Coast	San Joaquin	Ventura
Tests per Year					
Initial					
Tested by District	0 [a]	80 [b]	0 [c]	unknown	0
Tested by Contractor	211 [a]	120 [b]	75 [c]	unknown	40 [b]
Renewal					
Tested by District	258 [a]	240-290 [b]	50 [c]	0	0
Tested by Contractor	67 [a]	80 [b]	585 [c]	550 [b]	80-100 [b]
STAFFING					
Engineer	0.3	7	15	0	1.5 [b]
Chemist	8	5	3.5	0	0
Technician	2	4	4	0	0
Inspector	0	0	0	7	0
TOTAL STAFF COST	$616,236	$984,340	$2,187,558	$388,502	$127,270
TOTAL TESTS PER YEAR	536 [a]	520-570 [b]	710 [c]	550+ [b]	120-140 [b]
TOTAL STAFF YEARS	10.3	16	22.5	7	1.5 [b]

a Average over last three fiscal years.
b Estimated by specific district
c Fiscal year 1996-97 only.

None of the other districts surveyed provide source testing or test oversight on a fee-for-service basis. Testing services are provided at no charge or a nominal fee and are funded from district permit fees and grant funds.

In addition to the benchmarking study, an analysis of contracting for all or a portion of San Diego's source testing was done. The historical practice in San Diego has been for initial compliance testing to be done by independent contractors hired by the site. This testing is oversighted (protocol review, witnessing and test report review) by the District. Renewal source testing has been done by the District for sources where it has the capability to perform the testing. Additional renewal testing has been done by contractors hired by the site with District oversight.

The analysis of a test program done by contractors addressed only renewal testing for particulate emissions (20 tests) and oxides of nitrogen and carbon monoxide emissions from combustion processes (110 tests). These tests account for over 80% of the current workload of the testing done by the District. Initial tests were not included because of the variability and inability to predict the type or number of these tests.

This analysis showed the District's current approach, with District staff performing routine tests, results in a minimum of $43,000 in savings to effected equipment owners. This is due to District testing fees being comparable to testing charges of contractors and the need for District oversight on contractor-performed tests. For contractors hired by the District to perform these tests, there is an additional cost to administer the contract that would reduce these savings.

With regard to source testing overhead functions, overhead is allocated based primarily on labor hours. Overhead includes support services, administrative costs, etc. on a prorated basis. The only specific overhead allocated to source testing is 10% of the Chief of Monitoring and Technical Services' cost and 5% of the Deputy Director's cost. The District is unaware of any overhead functions that can be deleted.

Conclusion:

The District completed a benchmarking survey of source testing activities. The South Coast, Bay Area, San Joaquin and Ventura were surveyed. The South Coast and Bay Area witness and do source testing, similar to the San Diego program. San Joaquin and Ventura only witness tests.

Programs at the four agencies are similar to the San Diego program in terms of types of equipment tested and frequency of testing. Contractor oversight is equivalent except for test observation activities which are substantially less at South Coast, Bay Area and Ventura. This reduced level of effort for witnessing contractor testing does not result in any significant increase in overall test program efficiency.

Charges to facilities for witnessing or performing source tests in the districts surveyed are considerably different than in San Diego. For these districts, source testing and oversighting of contractors are primarily provided at no cost or, in some cases, nominal fees. No other district surveyed recovers

the actual direct cost of these activities from the sites on a fee-for-service basis as San Diego does.

The District completed a detailed analysis of the cost of contracting its testing activities. The report, Evaluation of Emissions Testing Alternatives, is available from the District upon request. Total cost of contracting the bulk of routine tests (including minimal District oversight) would be at least $43,000 more than having the District continue to do these tests.

With regard to source testing overhead functions, overhead is allocated primarily based on labor hours. The District found no identifiable overhead redundancy in this area.

Issue 25: Where an outside consultant does a source test, the requirements to have all protocols reviewed, all tests witnessed from test setup to test teardown, and all reports gone over in detail needs to be evaluated. Initial information indicates other districts don't require this level of oversight. [There are also questions regarding the need for level of detail required in source testing, such as requesting copies of the traces for the raw data.]

Analysis: The District, in collaboration with external customers, has evaluated revising contractor testing observation. [Please also see Issue 5.] A protocol and test report will continue to be required. This is the standard practice of all districts surveyed to assure the testing proposed is adequate to determine compliance.

There is no need to observe test setup and teardown and it has not been District practice to do so. At present, District staff arrive on-site at the time specified as the expected time of final leak checks and calibrations by the testing contractor and equipment operator. The District may be there for a test setup if a contractor has specified a time for District staff to arrive on-site to observe an initial leak check and when the District arrived, the contractor had problems and was still setting up equipment. District staff leave after the post-test leak checks, final calibrations, etc., are completed.

For work done by outside consultants, the District has instituted standardized test protocols and test report formats for the commonly required tests in order to reduce testing costs. The District reviews test reports to assure they accurately reflect the results of testing. Use of the standardized format reduces the time required for quality assurance. Typically test data are only spot checked. Errors in reports lengthen the amount of time required to finalize the report in proportion to the number and type of errors. All districts surveyed advised that test reports are reviewed to assure correctness.

Raw test data is needed to assure that testing equipment was operating properly (documentation of spans, calibrations, zero checks) and to provide primary information (e.g., actual field notes and strip charts) that is the basis of the report. Without this primary information, it is not possible to definitively determine if the test showed compliance. All districts surveyed, including San Diego, also require inclusion of raw data in test reports. The District does not require a greater level of detail than other districts with

similar programs. In general, the data is only spot checked unless discrepancies are found.

Conclusion: District protocol and test report requirements currently are consistent with the practices of all agencies contacted in the Source Test Benchmarking Study (South Coast Air Quality Management District, Bay Area Air Quality Management District, San Joaquin Valley Unified Air Quality Management District, and Ventura County Air Pollution Control District). These requirements will not be changed. Test witness policy is to arrive on-site when the final leak checks and calibrations have been scheduled and depart after completion of post-test leak checks and calibrations.

The District's requirements concerning inclusion of raw data in test reports are consistent with requirements of other districts.

Issue 26: The necessity of having both an engineer and chemist witnessing source tests will be reviewed. There are also questions regarding the level of detail required in source testing, such as requesting copies of the traces for the raw data. If source testing was done by an outside consultant under contract to the District, there is a possibility that test witnessing can be cut back or eliminated.

Analysis: Concerning the necessity of having both an engineer and chemist witnessing source tests, please see Issue 5.

Concerning questions regarding the level of detail required in source testing such as requesting copies of the traces for the raw data, please see Issue 25.

Concerning whether witnessing of source testing done by an outside consultant under contract to the District could be cut back or eliminated, testing done by an outside consultant under contract to the District must meet criteria specified in a California Air Resources Board document titled "Criteria for Assessing District Enforcement and Permitting Program Adequacy," dated August 1994. This document provides systematic and comprehensive guidance for implementing an effective source test program. It states..."For start-up tests conducted by an independent contractor, the district shall have a source-test trained staff person observe the test."

Based on actual experience, test observation is important to assure integrity of the testing process. For example, during the last two years, when District staff were present, contractors have tried to take short cuts that would significantly compromise the validity of test results about fifty per cent of the time. This data validates the importance of having tests observed if the results are to be considered reliable.

Accordingly, contractor test witnessing cannot be eliminated. However, as discussed under Issue 5, the District will continue to collaborate with external customers to evaluate test practices for potential further streamlining.

The District has completed an analysis for contracting all or a portion of emissions testing. This study showed there are no savings associated with contracting out these activities. This is discussed further in Issue 24.

Conclusion:

Concerning the necessity of having both an engineer and chemist witnessing source tests, please see Issue 5.

Concerning questions regarding the level of detail required in source testing such as requesting copies of the traces for the raw data, please see Issue 25.

Concerning whether witnessing source testing done by an outside consultant under contract to the District could be cut back or eliminated, the District has determined that test witnessing cannot be eliminated. As discussed in Issue 5, the District, in collaboration with external customers, has determined test witnessing should not be reduced at this time. As discussed in Issue 24, when test witnessing costs and costs related to issuing and administering the required contract are added to the contractor cost of testing, this approach is not cost-effective.

Issue 27:

There are two Senior Chemists leading two separate source testing sections. One supervises seven people, the other supervises three people. Combining the two groups under one supervisor will be evaluated. If the two groups are combined there may be additional resource savings.

Analysis:

Historically, the two sections have been referred to as the Renewal Testing and Test Witnessing Sections. The focus of this analysis and associated recommendations is on revisions to be implemented in FY 98-99.

Renewal Test Section: This section consists of one supervisor, four chemists, two test technicians and one student worker. This staff provides routine testing of sources of particulate matter, oxides of nitrogen, carbon monoxide and ammonia. They also witness testing of gasoline bulk terminals, an activity that is fairly straight forward. In addition to conducting tests, they maintain and calibrate their test equipment and equipment for other divisions. This includes explosimeters, portable hydrocarbon analyzers, etc. They are also responsible for processing samples for paint analyses, complaints, etc. This section could be characterized as frequently carrying out routine, well defined tasks. During the current fiscal year (FY 1997-98) the Compliance Division has requested approximately 200 routine tests (particulate matter and combustion gases) be done. Staff is typically in the field approximately 50% to 60% of the time.

Current and historical labor tracking data show that about 15% of the Renewal Testing Section supervisor's time is spent on "direct" activities (those chargeable to a specific fee schedule). The balance of this supervisor's time is spent on supporting section operations such as tracking section activities, purchasing, budgeting, test manual maintenance, personnel items, training and general supervision. The supervisor also liaisons with the section's internal and external customers and actively participates in the Source Test Improvement Team. These support-related tasks are expected to increase in the future.

Test Witness Section: This section consists of one supervisor and three chemists. In addition to observing testing for initial compliance, this group observes all toxic air contaminant tests. Recent labor tracking data shows that the total time spent witnessing initial tests and all toxic air contaminant tests has been approximately one-half staff year annually. This year the

section was also assigned to conduct most of hydrocarbon renewal tests (estimated to exceed one staff year annually). Unusual renewal tests, such as hospital sterilizer testing, are witnessed by this section.

This group also has responsibility for Continuous Emission Monitor recertification for approximately seventeen pieces of very large combustion equipment and acid rain testing for SDG&E. This includes review and validation of data processing (i.e., validating programming, as well as observation and analysis of collected data). In addition, this section provides in excess of one staff year of technical support to internal customers. This section also does maintenance and calibration of hydrocarbon analyzers used for renewal tests and carries out many "special project" (nonstandard) type activities. Staff is in the office or lab a significant portion of the time.

Based on labor tracking data, thirty to forty per cent of the section supervisor's time is spent on directly chargeable projects. Because projects are nonstandard, there needs to be more interaction with and direction to staff. In addition, greater internal tracking is needed for test witness projects than in-house testing. This supervisor must also review and comment on new and proposed EPA and ARB test methods.

Tracking and analysis of labor expenditures and revenues have increased significantly because of the need for better resource management and are expected to increase in the future. In addition, because test activities in this area are billed manually, the supervisor has been spending several hours each week tracking and following up on unpaid invoices.

The two groups have disparate functions. The Renewal Test Section accomplishes a large number of repetitive tests. The supervisor is primarily a manager, monitoring work quality, output, etc. The workload in this section is considerable and may increase this fiscal year primarily because external customers now have the option of having the Renewal Testing Section perform initial compliance testing for boilers and internal combustion engines instead of hiring a contractor.

The workload in the Test Witnessing Section may further increase because external customers now have the option of having the Test Witnessing Section perform hydrocarbon renewal tests previously done by contractors. Since external customers have indicated a preference for this approach, the Test Witnessing Section is expected to do about thirty additional highly complex hydrocarbon tests this year in addition to the diverse tasks noted above. This will be a significant change for this section.

Because of the nature of the projects, the supervisor in the Test Witnessing Section is much more involved in "doing" and spends much more time per project doing oversight. Technical oversight is also provided on individual projects, an activity not needed in the Renewal Test Section.

It is expected the additional workload and other expected changes in the Test Witnessing Section will smooth out in FY 1998-99. If there are no changes in what is being done and workload, merging of the two sections should be possible in FY 1998-99. This assimilation will require that systems be

developed and implemented by Program Support to streamline purchasing and invoicing, develop reports for internal customers to allow efficient resource tracking, automate status reports, etc. In addition, a reduction of one chemist position will be possible due to streamlining of processes.

If the sections are merged, the second Senior Chemist would continue to review proposed ARB and EPA test method development to help assure that the final work methods are technically sound and feasible. This person will also be assigned unusually complex source testing projects requiring a higher level of knowledge and expertise and will continue to provide technical support to other staff as needed.

Conclusion:

The District has determined that consolidation of the Renewal Test and Test Witnessing Sections under one supervisor is feasible. This change will be implemented by the beginning of FY 1998-99. The second Senior Chemist will continue to provide technical review of proposed EPA and ARB test methods and work on more complex projects. In addition, as a result of source test streamlining over the last year, one chemist position will be deleted.

Issue 28:

Why does the District have its own test methods for certain types of tests? For the same types of rules throughout the state, the same methods should be used.

Analysis:

During the 1970's, the San Diego Air Pollution Control District (SDAPCD) developed detailed test methods to be used by staff in performing needed testing. EPA and ARB methods were not sufficiently detailed to provide step-by-step specifics. Detailed procedures are needed to assure that all tests are done the same way and that critical steps are performed properly. District methods were based on EPA and South Coast Air Quality Management District (SCAQMD) methods.

The two most commonly used District methods are SDAPCD Method 5 for Particulate Matter, and SDAPCD Method 100 for oxides of nitrogen and carbon monoxide from combustion sources. SDAPCD Method 5 is based on South Coast Air Quality Management District Method 5.1. These methods are based on the South Coast and San Diego definition of particulate matter which are quite similar. SDAPCD Method 100 combines four EPA methods, oxides of nitrogen, carbon monoxide, carbon dioxide and oxygen, into one document. The District has no other test methods that are used routinely. For other testing, such as heavy metals or ethylene oxide, ARB or EPA methods are used.

SDAPCD Method 5 and SCAQMD Method 5.1 are substantively different from EPA Method 5 due to differences in the definition of particulate matter (see District Rule 2). Both agencies have required use of their respective methods for testing particulate matter as defined in their respective regulations.

ARB has now modified its particulate matter test method, bringing it more in line with the SDAPCD and SCAQMD methods. ARB is currently in the process of finalizing this method and should have necessary internal and Board approvals later this year.

No District rules currently specify use of SDAPCD Method 5. When the ARB method has been finalized and approved by the ARB Board, the District will allow use of ARB Method 5, with the back-end filter option, as an alternative to SDAPCD Method 5. The result should be equivalent to District Method 5 or SCAQMD Method 5.1. Because the ARB method is more complex and to save the cost of rewriting procedures, the District expects to continue using SDAPCD Method 5 in the foreseeable future.

During the 1990's, EPA has required all new or modified District SIP rules affecting volatile organic compounds or oxides of nitrogen specify test methods to be used to determine compliance. The specified methods must be EPA methods or EPA-approved methods.

The District has obtained EPA approval of SDAPCD Method 100. The equivalent ARB method was determined to be unapproveable by EPA. ARB has now modified its method and expects to have EPA approval within the next year.

A number of District rules currently specify the use of SDAPCD Method 100. However, as these rules are modified, or new rules written, the District is adding language to allow the option of using ARB Method 100 after it has been approved by EPA.

It is expected that by the end of 1998 necessary approvals will have been granted and sites will have the option of using District or ARB test methods for Method 100 and Method 5 tests. This will bring District practices into closer alignment with other agencies in the state.

Conclusion: There are only two test methods commonly used, SDAPCD Method 5 and SDAPCD Method 100. ARB is in the process of finalizing and obtaining approvals for equivalent methods. Necessary approvals are expected later this year. When these methods are approved, the District will allow sites the option of using ARB or District methods. For other types of emissions tests, ARB or EPA methods are generally required.

Issue 29: There are five meteorologists in the Monitoring and Technical Services Division forecasting air quality, evaluating transport, and supporting urban air shed modeling. The forecasting and transport analysis procedures are being reviewed and streamlined. Additional technological resources are being added. The opportunity for reduced personnel resources in the future will be evaluated.

Analysis: Over the last several years, the District has been improving and streamlining its analytical processes for determining the impact of transported air pollution on San Diego County. Methods have been automated and analyses made more data driven.

The District has also been automating its air quality forecasting processes. Data-driven numerical models are being utilized to forecast ozone levels and automated data collection and presentation systems are being acquired. Previously, large amounts of staff time were needed to draw meteorological

charts that were used with experience and judgment to prepare ozone forecasts.

Historically, two Assistant Meteorologist staff years were required to forecast air quality each year. Effective use of these newer tools requires staff with strong theoretical knowledge, analytical skills and computer expertise. However, these skills are beyond the requirements of the Assistant Meteorologist job classification. By effectively using automation tools, it is estimated that this work can be reduced from 2 staff years to about 1 staff year of Associate Meteorologist time.

Other work projects in the section, including transport assessment, database development, meteorological modeling, etc., are all at the Associate or Senior Meteorologist level. It is expected these ongoing activities will preclude the two existing Associate Meteorologists from picking up the forecasting duties.

Because of the process improvements noted above, a reduction in staff in this area is appropriate. One Assistant Meteorologist position will be deleted and the remaining Assistant Meteorologist position will be upgraded to an Associate Meteorologist position. This upgrading is necessary to provide the flexibility needed to carry out forecasting and analysis tasks using automated tools, enhance these tools on an ongoing basis, and perform other tasks at the Associate Meteorologist level.

Conclusion: The Meteorology and Modeling Section will be reduced by one staff year in FY 1998-99. Specifically, two Assistant Meteorologist positions will be deleted and one Associate Meteorologist position will be added.

Issue 30: Currently, Urban Airshed Modeling is a multi-divisional activity supporting Implementation Plan development accomplished in the Air Resources and Strategy Development Section. Efficiency benefits associated with more closely aligning these functions will be evaluated.

Analysis: Since early 1995 there has been no significant Urban Airshed Modeling activity by the District. An ad hoc multi-divisional team did this work for the 1994 Attainment Demonstration. There is no dedicated staff at present working exclusively in this area. Consequently, there are no positions to be realigned.

If the District determines additional photochemical modeling is required in the future, the use of contractors to provide the bulk of the work will be evaluated. It is anticipated that this will be a much more cost-effective mechanism for accomplishing this infrequently required task.

Conclusion: Since early 1995, there have been no significant staff resources devoted to this program. In the future, if additional work in this area is required, outsourcing most of the work is expected.

Issue 31: In recent years, the air monitoring program has been subject to increasing federal requirements. While negotiations have reduced system complexity and contained associated cost, the current program may not align with the core objectives of the District for the minimal program necessary to

characterize the air quality and meteorology in the region and provide a sound basis for tracking transported pollutants.

A review of the monitoring network will be undertaken to assure it has been reduced to minimal levels required by state/federal requirements and District objectives. An evaluation will be made to determine if the PAMS program is at its minimum level. If the PAMS data is not consistent with District objectives, how much grant money will be lost by turning the program over to EPA? Based on the results, additional negotiations with the state and EPA may be necessary. Because of the resource requirements of SCOS, this task may not be completed in the February/March time frame.

Analysis:

The District presently operates a network of eleven official ambient monitoring stations. The eleven stations include four sites where additional hydrocarbon samples are collected as part of the Photochemical Assessment Monitoring Stations (PAMS) program. The sites have been brought on-line at the rate of one per year. In addition, several supplementary research stations are currently being operated for additional data to support air pollutant transport analyses.

When final EPA approval has been granted to redesignate the District to attainment of the federal carbon monoxide (CO) standard, EPA will be requested to allow reduction in the level of CO monitoring. At the same time, the District will request EPA consider eliminating at least one of the existing full stations. If this request is approved, these activities would no longer need to be maintained.

PAMS monitoring is required explicitly by the federal Clean Air Act for certain ozone nonattainment areas including San Diego. The PAMS program contains requirements for measuring ozone, oxides of nitrogen, meteorological parameters and, primarily on a seasonal basis, collection of hydrocarbon samples for later analysis.

When the program was originally proposed, the District successfully spearheaded negotiations with EPA to reduce the amount of hydrocarbon sampling required. This resulted in the California PAMS plan now being used by all agencies in the state subject to PAMS except for the South Coast Air Quality Management District. The modified plan avoided the need for the District to use an additional staff year annually.

PAMS hydrocarbon data collected thus far has not been analyzed because of resource constraints associated with such projects as the Southern California Ozone Study. When a full-year's data has been analyzed, EPA will be requested to approve further reductions in the amount of hydrocarbon sampling required.

During the last several years, the District has, with concurrence from ARB and EPA, reduced monitoring of non-methane hydrocarbons by fifty percent and has reduced visibility monitoring by approximately fifty per cent as part of ongoing efforts to optimize the amount of information collected. The District has requested and received approval to eliminate lead monitoring and some visibility monitoring as of January 1, 1998.

In addition, through process improvements associated with the Data Acquisition System purchased several years ago, the District has significantly reduced resource requirements for data quality control/quality assurance. These enhancements have enabled the District to operate more equipment and collect substantially more data, both in terms of volume and complexity, with existing staff levels.

Conclusion: After the expected redesignation to attainment of the federal CO standard, the District will request reducing CO monitoring activities as well as reassessing the need for other existing stations. When a complete PAMS data set has been analyzed, EPA will be requested to approve reducing the scope of sampling necessary. The District has actively sought approval to eliminate monitoring of limited value and will continue to do so in the future.

Support Services

Issue 32: Many of our business customers believe the District may be able to get services currently provided by the County (e.g., County Department of Human Resources, car repair, mail service, printing, etc.) at a lower cost by outsourcing. External overheads (County services) will be reviewed to assure actual service costs are being invoiced, rather than invoiced based on some allocation method. An evaluation will then be made to determine if those services represent good value. For those that don't, contracting will be considered. For those services representing questionable value, but can't be contracted out and are not direct-cost based, a direct service cost accounting system will be negotiated. This is a priority for our business customers.

Analysis: The District presented this concern to County management. The Chief Administrative Officer (CAO) is also concerned with support costs and the satisfaction of the customer (department) to which the service was provided. The CAO will be requiring County support departments to show they are cost-effective or will be requiring them to compete with the private sector to provide service County departments. This will be an incremental process. Those services that can account for actual costs will be evaluated first. However, most support departments are not able to specify the cost of services they provide. This system is on a fast track so that savings can be identified starting with the FY 1999-2000 budget.

In addition, support departments are surveying their customer departments. Customer service and satisfaction, cost, and legal requirements will factor into contracting decisions. These factors will provide the basis for management decisions on which support services should continue to be provided by the County.

Conclusion: The District has been outspoken on this issue with County management. The CAO echoes the concern of the District and its customers. The CAO is developing a process requiring County support departments to compete with the private sector for service contracts (such as vehicle maintenance) to other County departments.

The County's Chief Financial Officer is undertaking the task of developing a tracking system for support departments to determine actual costs for specific services. Both are on a fast track to be in place in FY 1998-99. The District has been identified as an appropriate candidate to test the competitive contracting process. The District will keep this issue in the forefront and press for the ability to contract for services if there is a cost benefit. Savings accruing from these efforts would first be reflected in the FY 1999-2000 budget.

The District already contracts most of its major mailings to private mailing services.

Issue 33: A cost/value assessment of the District's mail service needs to be accomplished. Businesses have complained that local mail is taking 7-10 days past its post mark date to reach its destination. We need to find out if this is occurring on a routine basis or is primarily associated with large mailouts.

Analysis: Mail services are being monitored for effectiveness. The District tests various mailing processes by sending at least one envelope to District staff and monitoring delivery time. The effectiveness of various mailing methods will continue to be monitored. The item mailed, method of mailing, mailing date and receipt date are recorded. To date, mailouts mailed through the County mail center have taken from 3 to 4 days from delivery to the County mail center to receipt by the District employee. This is an acceptable time frame for business mailings.

Conclusion: Most large mailouts are done by mailing services and smaller mailouts by District staff and the County mail service. The District is testing the effectiveness of each method. To date, tests show in-house mailings through the County mail service are received within 3 to 4 days of delivery to the County mail room. Contracted services are also being tested. Mail services will continue to be monitored for effectiveness.

Issue 34: The public information program will be reviewed to identify the basic requirements of the District. The possibility of additional contracting will be considered. It may be appropriate to realign this program.

Analysis: The District is legally required to provide the following public information activities and services:

- California Health & Safety Code §40918(a)(6) requires including in the District's attainment plan public education programs to promote actions reducing emissions from transportation and area-wide sources.
- 40CFR51 Subpart O §51.285 requires notifying the public of instances or areas exceeding any primary standard the preceding year and health hazards from such exceedances. It also requires increasing public awareness of measures to prevent exceedances and ways to participate in regulatory and other efforts to improve air quality.
- Certain documents and regulations must be available to the public including Title V regulations and Air Toxics Hot Spots (AB2588)

documents. Both are maintained in the library by public information along with the RAQS and other regulations.

- Daily Air Quality information reports.

District Public Information and Outreach staff respond to general public inquiries and inquiries on advisories and notices; provide documents to the public and other agencies; maintain a library of mandated documents and reference materials; produce the Annual Report, Monthly Air Quality Information report, Air News, Nothing in Particulates (employee newsletter), and daily air-quality-related news clips. In addition, staff prepares media releases, responds to routine media inquiries, arranges media appearances and interviews, arranges and staffs displays at public forums, arranges public meetings on technical or permit-related matters, composes graphic presentations and brochures, prepares camera-ready legal notices and researches topics for District staff at libraries and other agencies.

The District is currently operating without a media spokesperson. After a six-month trial period with managers handling media interviews and appearances, it was determined a media spokesperson (<1/4 SY) is no longer required. Therefore, with additional streamlining and workload realignment, it has been recommended to reduce staffing in the Public Information Office from 3.5 positions in FY 1997-98 budget to 3 positions in FY 1998-99. The baseline savings from this reduction is $40,000. This includes deleting the media spokesperson/section manager position ($58,400), and replacing it with a position at the Senior Clerk or other appropriate level ($25,000 - 27,000) to oversee the District's outreach and education requirements. A Public Information Specialist handles the remaining media contacts, legal notice requirements and publications. A student worker will assume general office duties and maintain documents in the District library.

Motor-vehicle-related outreach and education are currently contracted out, with program direction from public information staff. The contract has been considered for possible realignment and assignment to the motor vehicle program specialist in the Air Resources and Strategy Development Section, but realignment is not recommended for two reasons. First, the motor vehicle program specialist is primarily charged with evaluating projects to which motor vehicle money may be allocated to achieve maximum emissions reductions through external contracts. Managing the motor vehicle education and outreach contract is not congruent with these program tasks. Also staff reductions in the Air Resources and Strategy Development Section have reduced time available for motor vehicle contract work.

Second, the creative and technical consulting required for managing this contract are more closely aligned with the skills of the Public Information Section. In addition, the contractor and public information staff are working toward the same ends - education and outreach, informing the public and increasing awareness of air quality and ways to improve it.

Therefore, it is recommended that the motor vehicle public outreach and education contract remain with the Public Information Section.

Conclusion: There are legal requirements for a basic public information program.

The District is meeting those requirements with 2.5 staff and continuing contracting for outreach and education to reduce air pollution from motor vehicles. Office staff in the Public Information Office have been reduced from 3.5 positions in FY 1997-98 budget to 3 positions in FY 1998-99, with media interviews being done by section managers. The net savings is about $40,000.

Issue 35: The operations and support functions of the data management group will be evaluated to determine if there are opportunities to reduce labor expenditures. The possible efficiencies associated with more closely aligning these support functions with primary activities in other divisions will also be considered.

Analysis: Two systems analyst positions were added to develop Urban Airshed Modeling capabilities. Technology in this field changes rapidly and the workload has reduced significantly over the past three years. One of these positions has been assigned special programming projects for divisions providing direct services to customers and has just finished basic programming of the EASIER Emissions Inventory system. This position will be needed for modeling and automating meteorological analyses through FY 1998-99. The need for the position will be re-evaluated in FY 1999-2000. If programming requirements for direct divisions are reduced or can be provided more effectively by contracting, the position may be deleted in FY 1999-2000. The other position is currently vacant and will be deleted in the FY 1998-99 budget process.

Another Systems Analyst position is programming the District's financial and management information systems to improve the accounts receivable system and automate management information reports of expenditures, revenues and work accomplished for all managerial levels. The basic accounts receivable system is now on-line and enhancements will be complete by the end of FY 1998-99. This may allow the reduction of an additional systems analyst in FY 1999-2000 if there are no new programming requirements.

The rapidly changing character of information and communication technology will affect technology and systems at the District. Also, customers are requesting additional on-line services. This will require new skills and possibly consultant contracts and new positions to develop and maintain District information systems. As these changes take place, positions may be added or deleted and other costs incurred to meet District and customer needs. Overall resource requirements for Information Services may increase, decrease or remain stable as a result.

Conclusion: Due to reduced Urban Airshed Modeling activity, one of two systems analyst positions added for modeling programming will be deleted in FY 1998-99 resulting in savings of $68,700. The second position has been assigned projects for direct service divisions through the end of FY 1998-99. If programming requirements for direct divisions are reduced in FY 1999-2000, or can be more effectively provided by contracting, the second position will be deleted in FY 1999-2000, providing similar savings.

Another systems analyst position is automating the District's permit and business system. This project is due to be completed in FY 1998-99, and based on current business system requirements, this position may also be deleted in FY 1999-2000 if there are no new program requirements.

Resources made available through these reductions may be redirected to new technologies such as establishing and maintaining a District web site. Many business customers have requested a web site that would offer advisories, notices, workshops, rules, fees, application forms, etc. Feasibility and cost/benefit of these suggestions will be evaluated and a web site implemented for those with a favorable evaluation. Implementation would most likely be through a combination of contracting for web site development and District staff for web site maintenance.

Administration

Issue 36: The value of the Small Business Assistance staff position to the District and small businesses will be evaluated. Can the function be accomplished by a lower-level staff position, can this function be absorbed by an existing staff person, or can this position take on additional customer service responsibilities?

Analysis: California Health and Safety Code §42323 specifies that districts must have a designated single point of contact which serves as the point of initial access for small businesses. There are no mandates for this position.

The Small Business Assistance program position was established to assist small businesses in submitting permit applications and variance petitions, understanding District regulatory requirements, resolving issues with the District, providing advisory compliance inspections, etc. Given the duties, responsibilities, knowledge and skills required of this position, the County's Department of Human Resources classified the position at the Program Policy Specialist level, a pay rate equivalent to that of a Senior Engineer.

In addition to the above duties, this position coordinates District participation in and assists in staffing the San Diego Regional Permit Assistance Center (RPAC) and assists small businesses who received a Notice of Violation or Notice to Comply from the District in correcting noncompliance problems. This position also provides compliance assistance training upon request and attends San Diego Economic Development Corporation and County of San Diego "early assistance" meetings to help new or expanding businesses.

Small business customers who have taken advantage of the assistance provided by this position have stated they appreciate having a position where they can get compliance and engineering-related assistance in a confidential manner. Experience has shown that a person meeting the qualifications of an Associate Engineer or Air Quality Inspector III could fill

this position. A position title change from Program Policy Specialist and a revised salary in the range of an Associate Engineer is anticipated.

Conclusion: Based on feedback from small businesses, this program is of value to both the District and to small businesses, although no specific measurements have been made. The position can be filled at a lower cost. The salary will be modified to not less than that of an Associate Engineer. There will also be more coordination with the Business Outreach program in the Compliance Division.

Issue 37: It was suggested that the entire cost-recovery system be restructured. For example, charge a base fee for all applications and in hourly fee thereafter. This will be addressed within the fee review group.

Analysis: The analysis of this suggestion will be addressed by the Fee Review Group.

Conclusion: The conclusion to this suggestion will be addressed by the Fee Review Group.

Air Resources/Strategy Development

Issue 38: The Air Resources and Strategy Development (ARSD) Section has two primary functions. One is preparing Implementation Plans and meeting associated reporting requirements. The other is developing and implementing mobile source reduction programs, including managing Vehicle Registration Fund projects. The benefits of more closely aligning these functions with primary activities in other divisions will be reviewed, including Urban Airshed modeling.

Analysis: ARSD responsibilities, workload, and staff levels have been evaluated for opportunities to realign functions, consolidate resources, and reduce costs while maintaining or improving service. One of seven ARSD positions was unfunded in the FY 1997-98 budget, reducing ARSD staffing to six positions. About four staff-years are funded by the Vehicle Registration Fund for activities associated with motor vehicle emissions, and two by Emissions Fees for stationary-source-related planning activities. Primary ARSD functions include: prepare state and federal Implementation Plans, meet Implementation Plan progress reporting requirements, administer the Transportation and General Conformity rules, assist implementing Vehicle Registration Fund projects, process CEQA documents (Non-EIR), implement the Indirect Source program, develop area-source rules (non-permitted sources), oversee the Border Vehicle project, implement transportation-related Board initiatives, and develop Permit Renewal Fees.

Vehicle Registration Fund Management responsibilities were recently shifted from ARSD to Administrative Services. ARSD's revised role is to provide technical assistance on funded projects as necessary. Additionally, Permit Fee development responsibilities will be shifted to Administrative Services following FY 1998-99 fees development. These reassignments better align fiscal programs and free ARSD resources for increased air-quality-planning activities resulting from new ozone and particulate matter standards.

Other ARSD functions were examined for possible realignment. Retaining stationary source and planning-related functions within ARSD is recommended because ARSD personnel have relevant expertise, enabling satisfactory and timely response to federal and state planning mandates.

Regarding Urban Airshed Modeling, since early 1995, there has been no photochemical modeling activity at the District. Modeling for the 1994 Attainment Demonstration was accomplished by an ad hoc, multi-divisional team whose members had other primary duties in addition to modeling. No dedicated staff are presently working exclusively in this area. Consequently, no positions are available for realignment. Future modeling work, if necessary, could primarily be outsourced, a likely cost-effective alternative for accomplishing this infrequently required task.

Assuming no new responsibilities, analysis of projected 1998-99 ARSD workload indicates five staff years could meet the following existing mandates: Federal & State Implementation Plans, Vehicle Registration Fund project assistance, Transportation & General Conformity, CEQA reviews, area-source rules (non-permitted sources), Transportation-related Board initiatives, and the Border Vehicle project.

Accordingly, eliminating one ARSD Air Resources Specialist position in FY 1998-99 is recommended. It is noted that new federal rules for ozone and fine particulate standards were recently issued, and federal implementation regulations, policy and guidance are forthcoming. Federal requirements for a new regional haze program have also been issued. Planning resources necessary to meet these new mandates will be absorbed by remaining staff. All ARSD positions will be further evaluated during future annual budget development cycles to assure adequate staffing levels are maintained.

Conclusion: **Vehicle Registration Fund Management and Permit Fee development are being shifted from ARSD to Administrative Services to better align fiscal programs. Remaining ARSD functions have been evaluated for possible realignment, and no changes are recommended. One Associate Air Resources Specialist position will be dropped.**

ATTACHMENT A

POSITION REDUCTIONS FOR FY 1998-99

During FY 1997-98, a District plan was developed to modify the organizational structure to improve services, strengthen District management, improve accountability and reduce administrative and operating costs. This plan reorganizes management, aligning all programs related to business customers under one manager. Doing so assures consistency and clarity in applying all rules and regulations.

In addition, the combined results of District process improvement teams, including the Air Pollution Permit Streamlining Team, Source Test Improvement Team and Compliance Improvement Team, combined with internal process improvements and automation, have increased efficiency and productivity, allowing staffing reductions in Planning, Meteorology, Engineering, Source Testing, Compliance and Support Services. These proposed modifications will result in dropping 21.5 budgeted positions and adding 10 positions. Total projected savings are $630,600.

Executive, Management and Administration

Two Deputy Director positions will be dropped and replaced by one Assistant Director, responsible for all permit and business-related programs. Also, three classified Division Chief and one Administrative Services Manager positions will be deleted and replaced with four unclassified Chief, Air Pollution Control positions, responsible for Engineering, Compliance, Monitoring and Technical Services and Administrative Services Divisions. The Administrative Services Division will assume added responsibility for the Vehicle Registration program.

An Air Quality Program Policy Specialist position will be dropped and a Small Business Assistance position added reflecting the current duties of that position. The new position will likely be classified at the Associate Air Pollution Control Engineer level. In addition, one clerical support position in Administration will be deleted. Total projected FY 1998-99 savings from these changes are $104,700.

Planning

One vacant Associate Air Resources Specialist position will be dropped due to reduced workload and cross-training that will allow existing staff to complete required state and federal attainment plan revisions. Projected savings are $44,300.

Engineering

One vacant Associate Air Pollution Control Engineer will be dropped due to reduced applications resulting from the new equipment registration program. Projected savings are $54,500.

Meteorology

New advanced automated forecasting and evaluation methodologies have increased efficiency and require a higher level of meteorological personnel. As a result, two Assistant Air Pollution Meteorologists will be dropped and one Associate Meteorologist added. Because one of the Assistant Meteorologist positions is filled, a layoff must be authorized. Projected savings are $62,900.

Air Quality Monitoring Network

Process improvements and automation have increased efficiency allowing one Associate Air Pollution Chemist to be dropped. A second will be dropped and replaced by an Air Pollution Test Technician, reflecting the current modified position and duties. Projected savings are $73,500.

Source Testing

Improved methods and equipment have increased efficiency allowing one Associate Air Pollution Chemist, currently modified to Assistant Air Pollution Chemist, to be dropped. Because the position is filled, a layoff must be authorized. However, the occupant of this position is in training for an Air Quality Inspector II position. Projected savings are $62,900.

Compliance

One Air Quality Inspector III position (currently filled) will be dropped and an Air Resource Specialist position added, reflecting the non-supervisory duties of that position in FY 1998-99. In addition, streamlining of the new business outreach program has increased efficiency resulting in dropping one currently vacant Air Quality Inspector II position. Projected savings are $62,800.

Support Services

Process improvements throughout support services have increased efficiency allowing deletion of one vacant Associate Systems Analyst position, one vacant Citizen's Assistance Specialist position and Intermediate Clerk Typist position. In addition, the Library Technician II position will likely be reclassified to better reflect current duties. The new position will likely be classified by DHR at the Senior Clerk level. Also, one budgeted Student Worker (0.5 SY) in Payroll and Personnel will be dropped. Projected savings are $165,000.

AIR POLLUTION CONTROL DISTRICT
COUNTY OF SAN DIEGO

RULE 40 - PERMIT AND OTHER FEES

WORKSHOP REPORT

A workshop notice was mailed to all permit holders in San Diego County. Notices were also mailed to all Economic Development Corporations and Chambers of Commerce in San Diego County, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (ARB), and other interested parties.

The workshop was held on May 1, 1998, and was attended by 25 people. The comments and District responses are provided below.

1. WORKSHOP COMMENT

Who makes up the Fee Review Group?

DISTRICT RESPONSE

Fee Review Group participants included AWR Engineering Group, B.F. Goodrich Aerospace (formerly Rohr), Calloway Golf, City of San Diego Metropolitan Waste Water Division, County Department of Public Works, Dames and Moore Environmental Consultants, Industrial Environmental Association, Kelco, Laidlaw Waste Systems, NASSCO, San Diego County Rock Producers Association, SDG&E, Solar Turbines Inc., and the U.S. Navy.

2. WORKSHOP COMMENT

How were companies invited to participate on the Fee Review Group? Companies having significant fee changes should have been invited to participate.

DISTRICT RESPONSE

Invitations to participate on the Fee Review Group were sent to all business customers who attended meetings of the FY 1996-97 informal fee review group or attended the FY 1997-98 Rule 40 workshop. In addition, representatives from autobody refinishing shops, the bio-tech industry, dry cleaners, and gasoline stations were asked to participate. The Fee Review Group was established before any proposed fees were developed. Resulting fees were an end product of the methodology recommended by the Fee Review Group.

3. WORKSHOP COMMENT

The District has been requested to provide the indirect labor hours by program and by job classification for the Engineering division. The District has not yet responded. When will that information be provided and by when do written comments need to be submitted for them to be duly considered?

DISTRICT RESPONSE

The requested data was not readily available and took time to generate. It was provided on May 7th. Written comments were needed by 5:00 p.m. Tuesday, May 12th. No additional comments were submitted. The commenter has advised the data provided was adequate.

4. WORKSHOP COMMENT

What is the District's intent regarding fees for facilities that have already exited the Toxics Hot Spots program (e.g. tracking facilities)? Will there be one more billing cycle?

DISTRICT RESPONSE

The Air Toxics Hot Spots Fee Schedule (m) is intended to recover costs in fiscal year 1997-98. The fees a facility will pay will depend on the status of the facility in the FY 1997-98 program review. If the facility qualifies as exempt in FY 1997-98, it will be exempt from the fees next year (FY 1998-99) that recover FY 1997-98 costs.

5. WORKSHOP COMMENT

If a list of facilities is provided to the District, can the District advise whether these facilities will be exempt from Air Toxics Hot Spots fees in FY 1998-99?

DISTRICT RESPONSE

The District will advise whether a facility will be exempt from Air Toxics Hot Spots fees in FY 1998-99 if a list of facilities of concern is provided. [A facility list was provided to the District on May 7 and the District advised the commenter on May 13 which facilities will be exempt from Air Toxics Hot Spots fees in FY 1998-99.]

6. WORKSHOP COMMENT

What program costs will be recovered from the air contaminant emission fee? If only part of a program cost is recovered, what is the percentage of that program cost being recovered?

DISTRICT RESPONSE

The fee based on facility annual emissions recovers costs for the following programs: 24% of rule development ($881,700 total program cost), 24% of emissions inventory ($540,000 total program cost), 23% of Air Resources and Strategy Development ($324,00 total program cost), 100% of Business Assistance ($70,700), 78% of Hearing Board ($82,400), 85% of permit application processing ($309,200), and 100% of complaint program ($215,000). The remainder of these program costs are paid for by state and federal grant moneys, vehicle registration fees or hearing board fees. Total revenue generated from the fee based on emissions is $1,068,000.

7. WORKSHOP COMMENT

In Fee Schedules 4, 6, 7, 8 and 9, it appears the District is forecasting labor that will be expended in future years based on labor that occurred in past years. However, there are labor hours in these fee schedules that reflect one time events that will likely not be occurring in future years. Would the District consider recovering these costs through a one time charge to affected facilities similar to the way costs are recovered in Rule 40(b)(3)?

DISTRICT RESPONSE

These fee schedules affect mineral products industry facilities. As recommended by the Fee Review Group, permit renewal fees are generally based on historical labor charges over the previous five year period. Fees are based on actual historical data because there is typically no reliable way to forecast year-to-year fluctuations in labor charges for specific equipment types. The fees being proposed were developed using this historical data. However, the District will work with affected facilities to explore recovering these costs through a separate payment or through a one time special fee consistent with the approach used in Rule 40(b)(3). If such an approach can be worked out, the labor hours of concern will be deleted from these fee schedules and the proposed fees adjusted accordingly. If an alternative cannot be worked out, the proposed fees will be retained (with appropriate adjustments) and these costs will be recovered through FY 1998-99 and future permit renewal fees.

8. WORKSHOP COMMENT

We represent a governmental agency and recently registered a large number of pieces of equipment under the portable equipment registration program at a cost of about $10,000. This includes portable air compressors, generators, lighting equipment, etc. We were led to believe there would be just a small administrative fee associated with maintaining registration. Now it appears fees will increase by about 15% for this equipment. Can anything be done to give a government agency a discount?

DISTRICT RESPONSE

The affected piston engines are not exempt from District permit/registration requirements. The pollutant of concern is oxides of nitrogen, an ozone precursor. Registration of portable equipment is optional. Owners/operators can elect not to register equipment and permit it instead. However, permit costs are likely to be significantly higher than registration costs ($1,602 versus $322 per engine). The registration renewal fees for portable equipment were established in May, 1997 when Rules 12 and 12.1 were adopted. The District is not proposing to change these fees for FY 1998-99.

The fee to initially register this type of equipment is about $300. It is likely the $10,000 fee paid was associated with registering more than 30 engines. The ongoing annual renewal fee for this registered equipment is $100 per engine if registered under District Rule 12. The renewal fee recovers District costs to field inspect the equipment and document ongoing compliance. If a discount was given, as suggested, the lost revenue would not recover costs and would likely need to be compensated for by increasing fees on other permit holders. This is not recommended.

9. WORKSHOP COMMENT

Can there be any fee reduction for natural gas engines from the fee for diesel engines?

DISTRICT RESPONSE

The permit renewal fee recovers the District's cost to determine ongoing compliance with air quality requirements. Compliance determination costs are substantially the same for natural gas and diesel fired engines. If a discount was given for using natural gas engines, the lost revenue to recover costs would likely need to be compensated for by increasing fees on other permit holders. This is not recommended. However, where emissions from diesel engines are greater than from natural gas engines, emission fees could be less, reflecting lower emissions. Please see Rule 40(r).

10. WORKSHOP COMMENT

Fee Schedule 13(f) is for multiple boilers at a single location where not more than five are located. Section (a)(1) specifies that the fee to evaluate multiple units is the fee specified in Fee Schedule 13 for the first unit plus actual costs incurred for additional units. Will the District charge time and material for additional units after the first unit?

DISTRICT RESPONSE

For multiple boilers at a single location, the District will charge the initial fee specified in Fee Schedule 13 for the first boiler and actual costs (based on labor hours and Fee Schedule 94 labor rates) to permit additional boilers. However, the fees for additional boilers are capped by fee specified in Fee Schedule 13.

11. WORKSHOP COMMENT

Fee Schedule 14(a) covers crematoriums processing up to 100 pounds per hour. The renewal fee of $1,980 includes a labor based fee and one quarter of a quadrennial source test fee. Over the past year the District has not conducted tests at crematoriums even though one or more were scheduled. This would put the District one year ahead on its recovery of these costs. Also, it appears the cost of the test will have increased by about $1,000. Since the crematorium industry will be working with the Compliance Improvement Team on the appropriateness of conducting a quadrennial test for this industry and such testing could be discontinued, the District should consider eliminating the cost of one fourth of a source test from the fee schedule.

DISTRICT RESPONSE

Last fiscal year (July 1, 1996 - June 30, 1997) two crematories (incinerators) were tested: Cypress View (Permit to Operate number 241) and Greenwood Memorial (Permit to Operate number 8086). Over the past four years, the District has hired a contractor to collect particulate samples for these tests because the District did not have the necessary high temperature probes. Because this was costly, the District recently acquired the probes and plans to test two incinerators by the end of the current fiscal year (July 1, 1997 - June 30, 1998). The District will also review the number of Fee Schedule 14(a) tests conducted over the past few years to ensure affected incinerators are tested in a four-year cycle. If testing fees have been collected but tests not conducted, refunds of testing fees will be made, as appropriate.

The labor hours and resulting fee proposed at the workshop were based on actual labor tracking data for a three-year period when the District conducted complete particulate matter tests (including samples) on incinerators (including crematoriums). The labor hours are higher than they would be for a normal particulate matter test primarily because additional staff hours are needed to collect and reduce continuous carbon dioxide data. This additional testing is in lieu of an integrated bag sample and is done at the request of the sites being tested. Subsequent to the workshop, actual labor hours recently required to test a large incinerator were reviewed. This data was not available when the proposed fees were calculated. Based on this analysis, the District believes the total hours per test can be reduced from 70 (workshop) to 53.5 hours. Since these reduced hours are the result of process improvements, the District is confident they will be maintained. As a result, the emissions testing portion of Fee Schedule 14(a) is being reduced from $1200 to $923. This adjustment, together with deleting a cost related to the Air Toxics Hot Spots program that was erroneously added, will reduce the proposed fee for Fee Schedule 14(a) from $1980 to $1613.

If the Compliance Improvement Team recommends crematories no longer be tested and the District agrees, the fee will no longer be required.

12. WORKSHOP COMMENT

Under Fee Schedule 27(k), the initial fee is increasing from $1,662 to $3,010. Why is this?

DISTRICT RESPONSE

This is the fee schedule for coating application stations subject to Rule 67.3 or 67.9 at facilities emitting less than five tons per year of volatile organic compounds. The fee in question is the initial application fee which recovers the cost of three different permits; Authority to Construct, Permit to Operate and first year permit renewal. Fee Schedule 27(k) is one of the fee schedules that were limited by the 15% cap (state law) on fee increases. If it were not for this cap, the existing fee would be about $3,400 rather than $1,662. The proposed fee for FY 1998-99 ($3,010) is actually decreasing from where it should have been ($3,400) in FY 1997-98.

13. WORKSHOP COMMENT

Under Fee Schedule 27(i), the renewal fee is increasing from $793 to $3,449. Does this include a source test of this equipment?

DISTRICT RESPONSE

This is the permit renewal fee schedule for a coating application station requiring air pollution control equipment. It does not include the cost of an emissions test. This is one of the fee schedules that was limited by the 15% cap (state law) on fee increases. If it were not for this cap, the existing fee would be about $4,830 rather than $793. In addition, the fee has increased due to labor associated with developing and implementing a test program for these large sources of volatile organic compounds. Specific tasks include training, review of ARB and EPA test methods, setting up and maintaining a hydrocarbon analyzer, preparing estimates for testing and developing standard test protocols and test reports.

14. WORKSHOP COMMENT

Fee Schedule 32 has a special fee for Herco that is substantially greater than others in that fee schedule are paying. What allows the District do this? Can the labor used to generate this fee be reviewed?

DISTRICT RESPONSE

Rule 40(b)(3) allows the District to create a separate fee schedule for a company if the activities of that company would cause a fee schedule increase of at least 10%. If this is done, the labor hours expended in dealing with this company are to be removed from the labor hours used to generate the fee. In the case of Herco, there were substantial compliance problems in previous years. Since the District labor needed to address these problems would have caused Fee Schedule 32 to increase by more than 10%, a separate fee schedule was created for Herco. This fee will only apply for FY 1998-99. Herco has met with District staff to review the labor tracking data and the issues that caused this labor to be expended and appears satisfied with the documentation and resulting fees.

15. WORKSHOP COMMENT

For Fee Schedule 92(a) for particulate matter source tests, the District recently surveyed independent contractors from the Los Angeles area. Even though they make a profit, they can do the test cheaper than the District can do it.

DISTRICT RESPONSE

The labor hours the District expends on particulate matter testing under Fee Schedule 92(a) are competitive with labor hours expended by others (public and private) and there is general agreement these labor hours are appropriate. The other factor influencing the fee is the labor rate. Since the labor rate is high compared to private consultants, the overall cost of a particulate matter test is higher than some private consultants. There are costs recovered by the District's labor rate that a private consultant would not incur (e.g. inter-departmental County costs). The District's labor rate is also higher because it recovers the cost of services provided to the public that are not "billable" (e.g., telephone calls and meetings on emissions testing questions). Private consultants typically bill clients for such services and therefore do not need to recover such costs through their labor rate.

The labor rate for the emissions testing program was calculated in accordance with methodology recommended by the Fee Review Group. If the Fee Review Group believes the labor rate for emissions testing staff is too high, the Fee Review Group can recommend that use of a uniform labor rate not apply to emissions testing staff. The District will not revise the labor rate calculation methodology without a recommendation of the Fee Review Group to do so. Please also see the response to Comment #19.

The District recently conducted a survey of particulate matter testing contractors in southern California. The District's cost to do particulate matter testing was at the mid-point of costs charged by the contractors surveyed.

Also, and more importantly, the District is not requiring companies to use the District test team to do a required source test. Companies may elect to hire a private consultant. However, when a private consultant is used, there must be District oversight. Associated District costs are paid by the company.

16. WORKSHOP COMMENT

How was the uniform labor rate developed?

DISTRICT RESPONSE

There is an allocation plan that takes all of the District's costs and divides them into either administrative costs, support costs, nondirect program costs or direct program costs. A step-down process is used through which the administrative costs and support costs are allocated to the direct and nondirect program costs. The billable hours have to recover these total program costs. The Fee Review Group reviewed the labor rate development methodology in detail and recommended there be a uniform labor rate used for all staff working in the same job classification. This affected the labor rate each job classification used to develop fees.

17. WORKSHOP COMMENT

Why is there a test cancellation fee of $500?

DISTRICT RESPONSE

In the past, the District would expend labor preparing for an emissions test and, not infrequently, the company to be tested would cancel the test. The expended labor would then be added to the overall labor hours used to develop the emission testing fee causing the fee to increase. All companies needing an emission test would pay for this labor expenditure caused by one company. To address this inequity, the District began charging a company canceling a test the cost ($500) of labor to prepare for the test. Private contractors also charge for canceled tests.

18. WORKSHOP COMMENT

The Fee Review Group only looked at how District costs were recovered through fees and the methodology used to develop fees. The Fee Review Group did not look at the District's budget. That is a separate process. Whether the resulting fees are high or low was not an issue with the Fee Review Group.

DISTRICT RESPONSE

The District agrees.

19. WORKSHOP COMMENT

For Fee Schedule 92(a) the District uses higher paid Chemists for 72% of the labor and lower paid Test Technicians for only 24% of the labor. The District should consider using lower paid Test Technicians for 72% of the labor and Chemists for the remainder. Private contractors use such a labor distribution when they conduct these tests. This would result in a lower emissions test cost. This should be looked at for source test fees for FY 1999-2000 and beyond.

DISTRICT RESPONSE

District labor distribution reflects actual labor charges to conduct particulate matter tests. Normally one Technician and two Chemists conduct these tests in the field. This is in line with the particulate matter testing practices of SDG&E (one Senior Chemist, one Chemist and one Technician) and the South Coast Air Quality Management District (one Senior Engineer, two Air Quality Engineer II and one Air Quality Engineer I). Because of the difficulties in coordinating test dates and the frequent requirement to contact District staff outside of normal work hours, District Chemists normally schedule the tests. Laboratory work (test sample reduction) is typically done by a Technician. Chemists prepare and do the quality control work on test reports because they are quite complex.

Using a Technician in lieu of the second Chemist would have a limited impact on total labor costs. The second Chemist is used only during the field testing portion of the test which averages about 5 hours. The difference in labor rates between the Chemist and Technician is about $14 per hour. Therefore, the savings would be about $70 per test (there are about 20 tests per year).

Given the resource needs of other Monitoring and Technical Services division programs, if a Technician were used in lieu of a second Chemist, the District would need to hire a new Technician

or reclassify an existing Chemist to a Technician. It would not be cost-effective to add a technician because the workload would only be for about 100 hours per year. There is not adequate work to keep this position busy the remainder of the year. Reclassifying an existing Chemist to a Technician position would not be appropriate because the remaining duties of the second Chemist position are at the Chemist level. These duties could not be performed by the Technician or transferred to other Chemists. Therefore, the second Chemist position will be retained for particulate matter tests.

The District is planning to make further process improvements in its particulate matter testing program that will likely result in further reductions in staff hours required to complete a particulate matter test. Any resulting reduction in labor hours and associated costs would be reflected in proposed changes to Rule 40 for FY 1999-2000.

20. WORKSHOP COMMENT

Will the Fee Review Group make recommendations and a report to the Board? If so, how does someone get a copy?

DISTRICT RESPONSE

The Fee Review Group will formalize their recommendations and provide a narrative to the Board. These can be requested from a Fee Review Group member or the District.

21. WORKSHOP COMMENT

Under Fee Schedules 28(i) and 28(l) concerning degreasers, if a company has its own degreaser it will pay an $80 renewal fee but if it uses a degreaser provided by a contractor, it will pay only $8. How can the District recover its costs for only $8? The District should review whether $8 adequately recovers District costs.

DISTRICT RESPONSE

Reduced costs for contract service degreasers have resulted from working with the contract degreaser provider to streamline the permit renewal process for these degreasers. There is an economy of scale associated with dealing with only one company representing thousands of degreasers. Permit renewal notices are sent out all at one time and there are other administrative cost savings. There are also savings in travel costs because most facilities have other equipment that gets inspected as well. The District will specifically review whether the $8 fee adequately recovers District costs and propose any changes during the fee development process for FY 1999-2000.

22. WORKSHOP COMMENT

There is a County labor rate that is multiplied by an indirect "multiplier" to develop the hourly rates in Fee Schedule 94. The District should list what "multiplier" was used to develop these labor rates. This would help fee payers track future changes in fees. This should be done for each division.

DISTRICT RESPONSE

The methodology for developing labor rates has been significantly revised in accordance with the recommendations of the Fee Review Group and "multipliers" are no longer used. The factors (by division) County labor rates are multiplied by to develop labor rates are as follows: Air Resources and Strategy Development = 0.76, Engineering division = 2.25, Compliance division = 1.29, and Monitoring and Technical Services division = 0.96.

23. WORKSHOP COMMENT

The "multiplier" for the Engineering division needs further review. The direct versus nondirect ratio is 2.25. This means that the District was able to assign fewer billable dollars for the engineering division. Why is this ratio so high compared to the other divisions? Is it because there is more supervision time which cannot be billed directly? Are there programs where the District has estimated the ratio of direct to nondirect and a better estimate would result in a lower hourly rate? The resulting labor rate is higher than for other County agencies and other air districts. Labor rates for the other District divisions and similar divisions at other air districts are roughly the same. The resulting labor rate is also higher than what is charged by private industry for the same type of service. This may be a second year process for the District to evaluate Engineering division labor rates. There may be one or two obvious costs that can more appropriately be recovered in another manner resulting in a change in Engineering division labor rates.

DISTRICT RESPONSE

The labor rates and resulting fees proposed for FY 1998-99 were calculated using the consensus methodology of the Fee Review Group. Labor rates specified in Fee Schedule 94 and used to develop individual fee schedules are calculated by multiplying the salaries and benefits labor rate for each job classification by a factor (f). This factor is the ratio of the total fully burdened direct and nondirect division cost to the direct division labor cost. [(f) = (total burdened direct and non-direct division costs) ÷ (direct labor salary and benefits)] For the Engineering permitting program, direct hours are the directly billable hours associated with the permitting program. For other Engineering division programs, direct and nondirect hours were estimated by the chief of the Engineering division as recommended by the Fee Review Group. The factor (f) for the Engineering division (2.25) is higher than for the other divisions because only billable permit application hours were considered direct labor hours for the Engineering permitting program. This is because only hours that are billable to specific permit applications generate revenue to pay for the entire permit application evaluation program.

Nondirect labor hours are directly related to permitting but are not chargeable to a specific application. This term is not equivalent to overhead. This term includes time spent on application program-related work including business assistance (by phone, meetings, counter assistance, RPAC and early assistance programs), permit processing, supervision, maintaining the ERC banking program, special engineering projects (e.g. negotiating regulatory requirements with ARB and EPA, AB 3319, BACT Guidance Manual development, air toxics screening procedures development, APPS Team and other permit streamlining activities, equipment registration program development, and dealing with statewide vapor recovery, New Source Review/Banking and permitting issues), research, training, labor tracking, meetings, fee schedule development, financial records and budget. These are in addition to traditional overhead items.

It is noted that a review of labor tracking data for the Engineering division thus far in FY 1997-98 shows the ratio of the nondirect to direct labor hours is decreasing. Therefore, the factor (f) will very likely decrease from 2.25 in future years.

WRITTEN COMMENTS

24. WRITTEN COMMENT

The source testing component of Fee Schedule 14(a) consisting of 1/4 of the cost of a quadrennial source test should be eliminated from the Fee Schedule for FY 1998-99 because the District collected 1/4 of a source test fee from all crematory facilities last fiscal year yet failed to perform even one source test. Also, the proposed cost of the source test component does not appear to be adequately justified. The need to continue the quadrennial test is scheduled to be evaluated by the Compliance Improvement Team in the next few months. If the Compliance Improvement Team determines continuing the source testing is appropriate, the crematories subject to Fee Schedule 14A are agreeable to resume paying 1/4 of the source test fee for FY 1999-2000.

DISTRICT RESPONSE

Please see the response to Comment #11.

25. WRITTEN COMMENT

There is agreement with the average staff hours and hourly labor rates currently projected for a particulate matter source test (Fee Schedule 92(a)). There is not agreement with the District's proposed 3:1 ratio of Test Technician to Associate Chemist labor hours. A much heavier reliance on the Test Technicians is in keeping with the way that both industry and consulting firms conduct source testing. The $14 per hour difference in billable rates for these two staff classifications could significantly reduce the cost of the Fee Schedule.

DISTRICT RESPONSE

Please see the response to Comment #9.

26. WRITTEN COMMENT

The estimated time and material (T&M) fee proposed for an incinerator particulate matter source test (Fee Schedule 92(h)) should be revised downward to reflect that the testing will probably not be conducted exclusively by Associate Chemists but will likely involve Technicians at a lower billing rate. The additional hours proposed for the incinerator test, when compared to the standard particulate matter test, do not appear to have sufficient justification. Facilities affected by Fee Schedule 92(h) would rather be invoiced later for additional charges, if warranted, rather than have to apply for a refund. A fixed fee should be established for this test and revised, if necessary, after actual data becomes available. This would be in accord with the Fee Review Group's recommendations for new and modified programs. The fixed fee should be set at approximately $600 over the cost of a standard particulate test. This would represent the additional 8 hours of staff time that is estimated involved in the testing (8 hours @ $70 per hour = $560) plus $40 in materials charges (CO_2 calibration gas).

DISTRICT RESPONSE

Although Fee Schedule 92(h) is titled Each Incinerator Particulate Matter Source Test, the District applies it exclusively to large incinerators with a capacity of greater than 100 pounds per hour. There is currently only one facility subject to this fee. There is no estimate in Rule 40 for a particulate matter source test for large incinerators. When this equipment is tested, Chemists and Technicians will normally be used. Please also see the response to Comments #11 and #19 concerning labor hours for incinerator testing.

27. WRITTEN COMMENT

Resolution of proper hourly rates for the Engineering division affects almost all the rest of the fee schedules, and the cost of many specific elements of other District programs. Until the hourly rates for Engineering staff are resolved, almost all "fee-for-service" rates for District programs are inadequately documented. The District is apparently seeking to recover a much higher ratio of "non-billable" costs to "directly-billable" costs for the Engineering division than for any other division. Until the District is able to supply data which justifies the current proposals, the hourly labor rates proposed for staff classifications found in the Engineering division will be opposed.

DISTRICT RESPONSE

Please see the response to Comment #23.

28. WRITTEN COMMENT

The San Diego County Rock Producers Association, whose member companies own and operate the great majority of equipment covered by Fee Schedules 4(a), 6(a), 7(a), 7(b), 7(c), 8(a), 8(b) and 8(c), are in basic agreement that the Engineering division labor hours should be adjusted to a "norm" number of hours as proposed by the District and the Monitoring and Technical Services labor associated with emission factor development should be recovered through the emission fee and deleted from these fee schedules. The rock producers need to meet and confer with the District to understand the reasons why District staff spent so much time on these fee schedules, and the rock producers need to agree that the hours are reasonable, or reserve resolution of this issue until the hearing at the Governing Board.

DISTRICT RESPONSE

Please see the response to Comment #7.

29. WRITTEN COMMENT

Rule 40(a)(9) establishes a fee when equipment is operated, built, erected, installed, altered, or replaced without the owner/operator first obtaining a required Authority to Construct, Permit to Operate or Certificate of Registration. Rule 12 defines "Certificate of Compliance" to mean a written document issued by the Air Pollution Control Officer, granting authority to operate an emission unit in lieu of a Permit to Operate. The authorization to install an emission unit being registered with the District should start when the registration application and accompanying Certificate of Compliance is provided to the District. While this does not allow the operation of the emission unit until the Certificate of Registration is granted, it does allow the applicant to install the emission unit. The District should take into consideration how Rule 12, Registration of Specified Equipment, handles the Authority to Construct as it relates to registered equipment and to assure a penalty is not assessed when an emission unit having a Certificate of Compliance is installed after an application, fee and Certificate of Compliance is provided to the District.

DISTRICT RESPONSE

This request is to clarify Rule 40(a)(9) to ensure a penalty is not assessed if a complete application for equipment registration has been submitted to the District. The District issues a Certificate of Registration in lieu of a permit. A separate Authority to Construct is not issued. Given the nature

of equipment eligible for registration (e.g., standby, portable, off-the-shelf, etc.) in lieu of permitting and given that Rule 24 allows equipment requiring permits to operate once a complete application is submitted, the District agrees with this request. Rule 40(a)(9) has been revised to clarify that a penalty will not be assessed if a complete application for equipment registration has been submitted to the District. It will also clarify that pre-registered equipment that has not yet received a registration certificate will not be assessed a penalty under Rule 40(a)(9).

30. ARB WRITTEN COMMENT

Under Rule 40(m), the late fee for failure to pay on time is "30% of the applicable fees, not to exceed $250." For an "intermediate" or "complex" facility, with specified fees of $1,559 and $3,785 respectively, the upper late fee limit of $250 is absurdly small. These facilities would not be deterred from submitting fees late, and would likely consider the $250 an easily affordable "cost of doing business." The public suffers from late payments as well as the District. Further, the limit is unfair to small businesses where $250 (out of total annual fees of $30 to $795) is quite significant. A tiered late fee ceiling commensurate with source complexity and annual facility fees is recommended.

DISTRICT RESPONSE

The penalty for failure to pay the Air Toxics Hot Spots fee on time is the same penalty for failure to pay a permit renewal fee on time. This penalty is specified in Rule 40(e). The District does not agree there should be a different penalty schedule for Air Toxics Hot Spots Program fees.

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6/1/98