

**Air Pollution Control Board**

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ADVISORY

NOTICE OF AMENDMENTS TO RULE 40 - PERMIT AND OTHER FEES

On June 23, 2004, the Air Pollution Control Board (San Diego County Board of Supervisors) adopted amendments to Air Pollution Control District (District) Rule 40 - Permit and Other Fees. The amendments include updates and clarifications to the District's fees.

Under the amendments, more than half of the permit renewal fixed fee schedules increased (by an average of \$110), while 32% decreased (by an average of \$104). Most fixed fee permit application schedules increased from 1% to 14%. For permit application fees based on application-specific time spent (time and material (T+M)), labor rates have increased 9.5%. Five facility-specific permit renewal fee schedules have been added for facilities where the District incurred significantly higher labor costs. Annual emission fees have also increased from \$92 to \$101 per ton.

Specifically, the amended rule does the following:

Hourly Rates	Labor rates in Fee Schedule 94 (used for Time and Material-based fees) were increased 9.5 %.
Fee Schedules	Labor-based fixed fee schedules (permit renewal and application fees) were adjusted based on actual labor hours expended for each fee schedule and the updated hourly labor rates. Four fee schedules were deleted due to obsolescence and five new fee schedules were added for specific types of equipment/processes.
Facility-Specific Renewal Fee Schedules	Five facility-specific renewal fees were established for companies where the District incurred labor costs significantly above the average for other facilities in the same fee category.
Emissions Fee Rate	The emissions fee rate was increased to \$101 per ton per year. Emission fees for facilities with less than five tons of emissions per year will continue to be based on an average emission rate of one ton per year.

Source Testing Fees	There are 20 fee schedules for emissions source testing performed by the District, and five schedules for witnessing emissions tests conducted by contractors. Eight of these schedules are fixed fees, the remainder T+M based. Seven of these fixed fee schedules are increasing from 10% to 29%; one fixed fee schedule is decreasing 11%.
Asbestos Demolition or Renovation Fees	Fees for reviewing asbestos demolition or renovation operation plans, and for conducting related inspections are being increased 3.4%.
Expedited Permit (and Source Test) Process	Provisions have been added to Rule 40 to allow customers to elect to pay a higher fee for expedited processing of permit applications and emissions source testing. If an applicant requests expedited processing of a permit application (or source testing), and expedited processing can be accomplished through voluntary overtime of qualified staff, the applicant will be charged 1.25 times the normal fee.
Indemnification	Provisions have been added to Rule 40 requiring permit applicants to indemnify the District from any claim or liability resulting from the processing or approval of a permit application. Where significant risk to the District is identified in connection with the processing of a permit application (e.g., a new landfill or large power plant), the amendments would authorize the Air Pollution Control Officer to require, on a case-by-case basis, a defense and indemnification agreement and security from an applicant. These provisions are consistent with County of San Diego requirements for other project approval programs.
Other	The amendments combine two categories of reduced permit application fees for replacements of permitted equipment into a single fee category; clarify the fees for Title V permit program activities; and, allow the District to recover costs when requested or required to provide consultations, legal testimony, testing, inspections, engineering, or other technical services significantly beyond that normally provided to customers.

Copies of amended Rule 40 - Permit and Other Fees, may be examined or obtained at Room 102, Air Pollution Control District headquarters, 9150 Chesapeake Drive, San Diego, California, or downloaded from the District's website at <http://www.sdapcd.org>, under Basic Information, Notices, Advisories. For more information, please contact Permit Processing at (858) 650-4700.