

Antelope Valley Air Quality Management District

2551 W Avenue H
Lancaster, CA 93536
www.avaqmd.ca.gov

Governing Board Regular Meeting

Agenda

MEETING LOCATION

Antelope Valley Transit Authority
District Office
42210 6th Street West
Lancaster, CA 93534
661.723.8070

TUESDAY, JULY 18, 2023
10:00 A.M.

BOARD MEMBERS

Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Ron Hawkins, Los Angeles County
Howard Harris, Los Angeles County
Ken Mann, City of Lancaster
Andrea Alarcón, City of Palmdale
Newton Chelette, Public Member

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD TELEPHONICALLY OR OTHERWISE ELECTRONICALLY AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

ALL SCHEDULED ITEMS WILL BE HEARD AT THE ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA) DISTRICT OFFICE, 42210 6TH STREET WEST, LANCASTER, CA 93534 AND THE TELECONFERENCE LOCATION(S), IF APPLICABLE. PLEASE NOTE THAT THE BOARD MAY ADDRESS ITEMS IN THE AGENDA IN A DIFFERENT ORDER THAN THE ORDER IN WHICH THE ITEM HAS BEEN POSTED.

PUBLIC COMMENTS ON ANY AGENDA ITEM WILL BE HEARD AT THE TIME OF DISCUSSION OF THE AGENDA ITEM. PUBLIC COMMENTS NOT PERTAINING TO

AGENDA ITEMS WILL BE HEARD DURING THE PUBLIC COMMENT PERIOD BELOW. PUBLIC COMMENTS ON AGENDIZED ITEMS MAY BE SUBMITTED VIA EMAIL TO PUBLICCOMMENT@AVAQMD.CA.GOV AT LEAST TWO HOURS PRIOR TO THE START OF THE MEETING.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

PUBLIC COMMENT

CLOSED SESSION

1. Consideration of initiation of litigation pursuant to Government Code section 54956.9(d)(4) (one potential case).

CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion unless a Board Member requests an item be held for discussion under DEFERRED ITEMS.

2. [Approve Minutes from Regular Governing Board Meeting of June 20, 2023. Find that the California Environmental Quality Act does not apply to this item.](#)
3. [Monthly Grant Funding Summary. Receive and file. Find that the California Environmental Quality Act does not apply to this item.](#)
4. [Monthly Activity Report. Receive and file. Find that the California Environmental Quality Act does not apply to this item.](#)
5. [This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2023.](#)

ITEMS FOR DISCUSSION

DEFERRED ITEMS

NEW BUSINESS

6. [Conduct a public hearing to consider the amendment of Rule 301 – Permit Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.](#)
7. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
8. Board Member Reports and Suggestions for Future Agenda Items.
9. Adjourn to Regular Governing Board Meeting of Tuesday, August 15, 2023.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x23. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations. All accommodation requests will be processed swiftly and resolving any doubt in favor of

accessibility.

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at www.avaqmd.ca.gov or by contacting Adrianna Castaneda at 661.723.8070 ext. 21 or by email at acastaneda@avaqmd.ca.gov.

Mailed & Posted on: Thursday, July 13, 2023

Adrianna Castañeda
Adrianna Castaneda

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of June 20, 2023. Find that the California Environmental Quality Act does not apply to this item.](#)

Please scroll down to view the backup material.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, JUNE 20, 2023
ANTELOPE VALLEY TRANSIT AUTHORITY DISTRICT OFFICE
LANCASTER, CA**

Draft Minutes

Board Members Present:

Marvin Crist, *Chair*, City of Lancaster
Austin Bishop, *Vice Chair*, City of Palmdale
Raj Mahli, City of Lancaster
Andrea Alarcón, City of Palmdale
Howard Harris, Los Angeles County
Newton Chelette, Public Member

Board Members Absent:

Ron Hawkins, Los Angeles County

CALL TO ORDER

Chair **CRIST** called the meeting to order at 10:01 a.m. Chair **CRIST** asked Board Member **BISHOP** to lead the Pledge of Allegiance. Chair **CRIST** called for roll call, roll call was taken.

PUBLIC COMMENT

❖ Public comments were made by representatives of City of Lancaster, City of Palmdale, Lockheed Martin, Northrop Grumman, AV Edge, AV Fair, and Supervisor Kathryn Barger’s office to thank Mr. Bret Banks for his 23 years of dedicated service and congratulated him on his Retirement.

CONSENT CALENDAR – The following consent items were acted upon by the Board at one time without discussion. Upon motion by Board Member **BISHOP**, seconded by Board Member **HARRIS**, and carried by the following roll call vote, with six **AYES** votes by Board Members, **ANDREA ALARCON, AUSTIN BISHOP, MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS and RAJ MAHLI**, with Board Member **RON HAWKINS absent**, on the Consent Calendar, as follows:

Agenda Item #1 – Approve Minutes from Regular Governing Board Meeting of May 16, 2023. Find that the California Environmental Quality Act does not apply to this item.

Approved Minutes from Regular Governing Board Meeting May 16, 2023.

Agenda Item #2 – Monthly Grant Funding Summary. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Grant Funding Summary.

Agenda Item #3 – Monthly Activity Report. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Activity Report.

Agenda Item #5– Receive and file the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at April 30, 2023.

Draft Minutes 03.21.2023

Presenter: Bret Banks, Executive Director/APCO.

Received and filed the Financial Report. This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at April 30, 2023.

Agenda Item #6 - Consider the Consulting Agreement with Bret Banks; authorize the Chairman of the Governing Board to sign the agreement; Find that the California Environmental Quality Act (CEQA) does not apply to this item and direct staff actions.

Presenter: Allison Burns, Legal counsel.

Consider the Consulting Agreement with Bret Banks; authorize the Chairman of the Governing Board to sign the agreement; Find that the California Environmental Quality Act (CEQA) does not apply to this item and direct staff actions.

CONSENT CALENDAR – The following consent items were acted upon by the Board at one time without discussion. Board Member **AUSTIN BISHOP** recused himself from this item due to conflicts of interest and left the room prior to the vote. Upon motion by Board Member **HARRIS**, seconded by Board Member **CHELETTE**, and carried by the following roll call vote, with five **AYES** votes by Board Members, **ANDREA ALARCON, MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS and RAJ MAHLI**, with Board Member **RON HAWKINS absent**, on the Consent Calendar, as follows:

Agenda Item #4 - Approve payments to City of Lancaster in the amount of \$249,058.16 for FY23 Quarter 3 expenditures. Find that the California Environmental Quality Act does not apply to this item.

Presenter: Bret Banks, Executive Director/APCO

Approved payments to City of Lancaster in the amount of \$249,058.16 for FY23 Quarter 3 expenditures. Find that the California Environmental Quality Act does not apply to this item.

Agenda Item #7 - Approve the First Amendment to the Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster amending Section 13 in its entirety, to include Operational Oversight, naming Barbara Lods as the Executive Director pursuant to this Amendment, whose initial classification and compensation shall be Director 2000, Step 1 on the City of Lancaster's compensation and classification schedule and shall be considered as an at-will employee; Find that the California Environmental Quality Act (CEQA) does not apply to this item; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.

Presenter: Bret Banks, Executive Director/APCO.

Approved the First Amendment to the Agreement between the Antelope Valley Air Quality Management District (AVAQMD) and the City of Lancaster amending Section 13 in its entirety, to include Operational Oversight, naming Barbara Lods as the Executive Director pursuant to this Amendment, whose initial classification and compensation shall be Director 2000, Step 1 on the City of Lancaster's compensation and classification schedule and shall be considered as an at-will employee; Find that the California Environmental Quality Act (CEQA) does not apply to this item; Authorize the Chairman to finalize terms and conditions of the proposed Agreement; and Authorize the Chairman to execute the final Agreement.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

None.

NEW BUSINESS

Agenda Item #8– 1) Award an amount not to exceed \$33,237 in Mobile Source Emission Reductions Program (AB 923) funds to Jeff Pantana for the replacement of an older diesel tractor with new, cleaner technology; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Deputy Director and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4)) Find that the California Environmental Quality Act (CEQA) does not apply to this item .

Presenter: Julie McKeehan, Grants Analyst.

Chair CRIST opened the public hearing. Julie McKeehan, Grants Analyst, presented background information and answered questions from the Board. Chair Crist called for public comment, no public comment was made in person, or electronically, being none, Chair CRIST closed the public hearing. Upon motion by Board Member CHELETTE, seconded by Board Member HARRIS, and carried by the following roll call vote, with six AYES votes by Board Members, , ANDREA ALARCON, AUSTIN BISHOP, MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS, and RAJ MAHLI, with board member RON HAWKINS absent, the Board, 1) **Awarded** an amount not to exceed \$33,237 in Mobile Source Emission Reductions Program (AB 923) funds to Jeff Pantana for the replacement of an older diesel tractor with new, cleaner technology; 2) **Authorized** the Executive Director/APCO the option to change the funding source if warranted or if other applicable funding sources become available; 3) **Authorized** the Deputy Director and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

Agenda Item #9 - 1) Award an amount not to exceed \$82,000 in Mobile Source Emission Reductions Program funds to the City of Lancaster for a hydrogen mobile fueler; 2) Authorize the Executive Director the option to change the funding source if warranted or if other applicable funding sources become available; 3) Authorize the Executive Director and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4)) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

Presenter: Julie McKeehan, Grants Analyst.

Chair CRIST opened the public hearing. Julie McKeehan, Grants Analyst, presented background information and answered questions from the Board. Chair Crist called for public comment, no public comment was made in person, or electronically, being none, Chair CRIST closed the public hearing. Upon motion by Board Member HARRIS, seconded by Board Member MAHLI, and carried by the following roll call vote, with six AYES votes by Board Members, ANDREA ALARCON, AUSTIN BISHOP, MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS, and RAJ MAHLI, with Board Member RON HAWKINS absent, the Board, 1) **Awarded** an amount not to exceed \$82,000 in Mobile Source Emission Reductions Program funds to the City of Lancaster for a hydrogen mobile fueler; 2) **Authorized** the Executive Director the option to change the funding source if warranted or if other applicable funding sources become available; 3) **Authorized** the Executive Director and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel; and 4)) Find that the California Environmental Quality Act (CEQA) does not apply to this item.

Agenda Item #10 - Conduct Continued Public Hearing to consider the proposed AVAQMD Budget for FY 2023-24: a. Re-Open the continued public hearing; b. Receive supplemental staff report and/or staff update; c. Receive public testimony; d. Close public hearing; e. Find that the California Environmental Quality Act (CEQA) does not apply to this item; f. Adopt a resolution approving and adopting the budget for FY 2023-2024.

Presenter: Barbara Lods, Operations Manager

Chair Crist opened the public hearing. Barbara Lods, Operations Manager, presented the proposed AVAQMD budget and answered questions from the Board. Chair Crist called for public comment, being none, Chair Crist closed the public hearing. Upon motion by Board Member **ALARCON**, seconded by Board Member **MAHLI**, and carried by the following roll call vote, with six AYES votes by Board Members, **ANDREA ALARCON, AUSTIN BISHOP, MARVIN CRIST, NEWTON CHELETTE, HOWARD HARRIS, and RAJ MAHLI**, with Board Member **RON HAWKINS** absent, the Board, Conduct Continued Public Hearing to consider the proposed AVAQMD Budget for FY 2023-24: a. **Re-Opened** the continued public hearing; b. **Received** supplemental staff report and/or staff update; c. **Received** public testimony; d. **Closed** public hearing; e. Find that the California Environmental Quality Act (CEQA) does not apply to this item; f. **Adopted** a resolution approving and adopting the budget for FY 2023-2024.

Agenda Item #11– Reports.

Governing Board Counsel –

- The Governing Board congratulated Mr. Bret Banks on his retirement and said it was a pleasure working with him.

Executive Director/APCO –

- Assembly Bill AB 985, Arambula. San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system. If passed may affect the SJVUAPCD ERC program.

Staff –

- No report.

Agenda Item #12– Board Member Reports and Suggestions for Future Agenda Items.

- The Board all Congratulated Mr. Bret Banks on his retirement and will miss working with him.

Agenda Item #13– Adjourn to Regular Governing Board Meeting of Tuesday, July 18, 2023.

Being no further business, the meeting adjourned at 10:37 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, July 18, 2023.

The following page(s) contain the backup material for Agenda Item: [Monthly Grant Funding Summary. Receive and file. Find that the California Environmental Quality Act does not apply to this item.](#)

Please scroll down to view the backup material.

Item #3 – Grant Funds Project Summary

June 2023

AB 2766 (\$4 DMV Fee)

\$655,000 Annually by Monthly Distribution

These fees fund the District’s Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used “to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988”.

Funding Limits: No surplus emission reductions or cost-effectiveness limit requirements.

Current Balance: \$661,746.00

AB 923 (\$2 DMV Fee)

\$614,000 Annually by Monthly Distribution

These fees fund the District’s Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used to remediate air pollution harms created by motor vehicles.

Funding Limits: Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects.

Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$71,415.00

Carl Moyer Program

\$1,730,061.00 FY 21/22 Allocation

Carl Moyer Program (CMP) funds provide incentives to gain early or extra emission reductions by retrofitting, repowering, or replacing older more polluting engines with newer, cleaner engines including zero and near zero emission technologies. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$837,470.00

AB 134 Community Air Protection (CAP) Projects

\$855,673 FY 19/20 Allocation

The purpose of AB 134 funds is to implement projects under the Carl Moyer Program specifically for projects that meet the goals of AB 617. These funds are focused on replacing older polluting engines operating in disadvantaged and low-income communities with newer, cleaner engines prioritizing zero-emission projects. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$879,529.00

The following page(s) contain the backup material for Agenda Item: [Monthly Activity Report. Receive and file. Find that the California Environmental Quality Act does not apply to this item.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM # 4

DATE: July 18, 2023

RECOMMENDATION: Receive and file. Find that the California Environmental Quality Act does not apply to this item.

SUMMARY: This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2023.

BACKGROUND: The Financial Reports for May 2023 provides financial and budgetary performance information for the District for the period referenced.

BALANCE SHEET. The balance sheet summarizes the District's financial position on May 31, 2022.

STATEMENT OF REVENUES & EXPENDITURES. A summary of all District revenue and related expenditures incurred in the day to day administration of District Operations.

STATEMENT OF ACTIVITY. The target variance for May is 92%.

The *District Wide* report details revenue and expenses for the District's operating account and grant funds. *Contracted Services* reports the expenses made by the (City of Lancaster) and passed through to the District including salaries. *Report Recap* consolidates both reports.

BANK REGISTERS. This report details the Districts bank activity.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Barbara Lods, Executive Director/APCO (AVAQMD) on or about July 1, 2023.

PRESENTER: Barbara Lods, Executive Director/APCO.

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of May 31, 2023

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
Assets					
Current Assets					
Cash	4,445,843.12	1,008,144.37	2,026,689.86	2,475,170.46	9,955,847.81
Cash Held For Other Fund	(53,624.31)	45,278.80	8,345.51	0.00	0.00
Receivables	(12,408.26)	0.00	0.00	0.00	(12,408.26)
Pre-Paids	5,105.00	0.00	0.00	0.00	5,105.00
Total Current Assets	<u>4,384,915.55</u>	<u>1,053,423.17</u>	<u>2,035,035.37</u>	<u>2,475,170.46</u>	<u>9,948,544.55</u>
Total Assets	<u>4,384,915.55</u>	<u>1,053,423.17</u>	<u>2,035,035.37</u>	<u>2,475,170.46</u>	<u>9,948,544.55</u>
Liabilities and Net Position					
Current Liabilities					
Payables	(25,667.01)	2,500.00	0.00	98,474.00	75,306.99
Due to Others	(166.00)	0.00	0.00	0.00	(166.00)
Unearned Revenue	950,227.21	0.00	0.00	2,369,738.13	3,319,965.34
Total Current Liabilities	<u>924,394.20</u>	<u>2,500.00</u>	<u>0.00</u>	<u>2,468,212.13</u>	<u>3,395,106.33</u>
Restricted Fund Balance	0.00	1,020,598.85	1,757,311.23	65,830.33	2,843,740.41
Cash Reserves	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Unassigned Fund Balance	1,549,632.96	0.00	0.00	0.00	1,549,632.96
Pre-Paid	1,378.50	0.00	0.00	0.00	1,378.50
Change in Net Position	912,950.92	30,324.32	277,724.14	(58,872.00)	1,162,127.38
Total Liabilities & Net Position	<u>4,388,356.58</u>	<u>1,053,423.17</u>	<u>2,035,035.37</u>	<u>2,475,170.46</u>	<u>9,951,985.58</u>

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending May 31, 2023

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Application and Permit Fees	95,045.38	0.00	0.00	0.00	95,045.38
AB 2766 and Other Program Revenues	64,018.52	60,208.09	56,450.73	124,614.00	305,291.34
Fines	14,926.96	0.00	0.00	0.00	14,926.96
Investment Earnings	0.00	0.00	0.00	0.00	0.00
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	173,990.86	60,208.09	56,450.73	124,614.00	415,263.68
<u>Expenditures</u>					
Program Staff	20,947.00	0.00	0.00	0.00	20,947.00
Services and Supplies	17,415.70	3,500.00	8,975.00	139,614.00	169,504.70
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	1,015.00	0.00	0.00	0.00	1,015.00
Total Expenditures	39,377.70	3,500.00	8,975.00	139,614.00	191,466.70
Excess Revenue Over (Under) Expenditures	134,613.16	56,708.09	47,475.73	(15,000.00)	223,796.98

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 5/31/2023

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	98,561.60	1,247,910.99	1,199,200.00	(1.04)
Programs	305,291.34	1,886,203.95	3,755,106.00	(0.50)
Application Fees	980.67	17,700.00	32,500.00	(0.54)
State Revenue	0.00	772,515.62	1,446,315.00	(0.53)
Federal Revenue	0.00	63,982.00	63,982.00	(1.00)
Fines & Penalties	11,040.96	47,148.57	10,000.00	(4.71)
Interest Eamed	0.00	33,595.55	44,602.00	(0.75)
Adjustments to Revenue	(610.89)	(15,376.07)	0.00	0.00
Total Revenues	415,263.68	4,053,680.61	6,551,705.00	(0.62)
Expenses				
Office Expenses	8,088.24	120,819.40	131,561.00	0.92
Communications	1,694.92	26,173.84	35,870.00	0.73
Vehicles	540.76	9,360.86	15,930.00	0.59
Program Costs	152,089.00	1,405,662.20	4,119,978.00	0.34
Travel	298.97	3,093.11	16,650.00	0.19
Professional Services				
Payroll Contract	0.00	0.00	1,000.00	0.00
Financial Audit & Actuarial Svcs	0.00	15,760.00	0.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	0.00	25,000.00	0.00
Stipends	700.00	6,500.00	8,400.00	0.77
Maintenance & Repairs	345.00	1,315.20	7,000.00	0.19
Non-Depreciable Inventory	40.01	13,553.57	10,500.00	1.29
Dues & Subscriptions	1,288.15	22,322.15	21,100.00	1.06
Legal	4,355.00	28,549.36	79,000.00	0.36
Miscellaneous Expense	64.65	443.51	2,900.00	0.15
Capital Expenditures	1,015.00	183,498.84	50,000.00	3.67
Total Expenses	170,519.70	1,837,052.04	4,530,889.00	0.41
Program Staff				
Excess Revenue Over (Under) Expenditures	244,743.98	2,216,628.57	2,020,816.00	(1.10)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 5/31/2023

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<u>Revenues</u>				
<u>Expenses</u>				
Office Expenses	0.00	10.46	1,200.00	0.01
Professional Services				
Payroll Contract	0.00	68.31	250.00	0.27
Financial Audit & Actuarial Svcs	0.00	107,306.10	264,500.00	0.41
Consulting Fees	0.00	41,055.00	0.00	0.00
Total Expenses	0.00	148,439.87	265,950.00	0.56
<u>Program Staff</u>				
Program Staff	20,947.00	906,061.32	1,800,000.00	0.50
Total Program Staff	20,947.00	906,061.32	1,800,000.00	0.50
Excess Revenue Over (Under) Expenditures	(20,947.00)	(1,054,501.19)	(2,065,950.00)	(0.51)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 5/31/2023

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	98,561.60	1,247,910.99	1,199,200.00	(1.04)
Programs	305,291.34	1,886,203.95	3,755,106.00	(0.50)
Application Fees	980.67	17,700.00	32,500.00	(0.54)
State Revenue	0.00	772,515.62	1,446,315.00	(0.53)
Federal Revenue	0.00	63,982.00	63,982.00	(1.00)
Fines & Penalties	11,040.96	47,148.57	10,000.00	(4.71)
Interest Earned	0.00	33,595.55	44,602.00	(0.75)
Adjustments to Revenue	(610.89)	(15,376.07)	0.00	0.00
Total Revenues	415,263.68	4,053,680.61	6,551,705.00	(0.62)
Expenses				
Office Expenses	8,088.24	120,829.86	132,761.00	0.91
Communications	1,694.92	26,173.84	35,870.00	0.73
Vehicles	540.76	9,360.86	15,930.00	0.59
Program Costs	152,089.00	1,405,662.20	4,119,978.00	0.34
Travel	298.97	3,093.11	16,650.00	0.19
Professional Services				
Payroll Contract	0.00	68.31	1,250.00	0.05
Financial Audit & Actuarial Svcs	0.00	123,066.10	264,500.00	0.47
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	41,055.00	25,000.00	1.64
Stipends	700.00	6,500.00	8,400.00	0.77
Maintenance & Repairs	345.00	1,315.20	7,000.00	0.19
Non-Depreciable Inventory	40.01	13,553.57	10,500.00	1.29
Dues & Subscriptions	1,288.15	22,322.15	21,100.00	1.06
Legal	4,355.00	28,549.36	79,000.00	0.36
Miscellaneous Expense	64.65	443.51	2,900.00	0.15
Capital Expenditures	1,015.00	183,498.84	50,000.00	3.67
Total Expenses	170,519.70	1,985,491.91	4,796,839.00	0.41
Program Staff				
Program Staff	20,947.00	906,061.32	1,800,000.00	0.50
Total Program Staff	20,947.00	906,061.32	1,800,000.00	0.50
Excess Revenue Over (Under) Expenditures	223,796.98	1,162,127.38	(45,134.00)	25.75

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
General Fund P6A LA County

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000001	5/04/2023	DAILY DEPOSIT	0.00	68,364.72	2,169,845.16
R23-41	5/04/2023	AB2766 Transfer - February 2023	49,983.01	0.00	2,119,862.15
R23-42	5/04/2023	AB923 - February 2023	46,863.76	0.00	2,072,998.39
R23-43	5/10/2023	OPERATING FUND REPLENISHMENT #15	297,870.14	0.00	1,775,128.25
0000001	5/19/2023	DAILY DEPOSIT	0.00	404,210.09	2,179,338.34
0000480	5/25/2023	DAILY DEPOSIT	0.00	13,960.19	2,193,298.53
0000001	5/31/2023	DAILY DEPOSIT	0.00	13,305.56	2,206,604.09
Total for Report:			394,716.91	499,840.56	

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000001	5/01/2023	CREDIT CARD TRANSACTION NORTHROP PLAN FEE CITY OF PALMDALE	0.00	1,099.89	1,196,760.19
0005223	5/04/2023	[10460] ANTELOPE VALLEY SHERIFFS BOOSTERS-SHERIFF BOOSTER SPONSORSHIP	10,000.00	0.00	1,186,760.19
0005224	5/04/2023	[10006] BANK OF THE WEST-CREDIT CARD 1481	678.27	0.00	1,186,081.92
0005225	5/04/2023	[10069] BRET BANKS-Invoices ,	14,070.00	0.00	1,172,011.92
0005226	5/04/2023	[11503] BETTER CLOUD HOSTING-ACCUFUND HOSTING FEES 04/01/2023 -06/30/2023	1,785.00	0.00	1,170,226.92
0005227	5/04/2023	[10405] CANON FINANCIAL SERVICES-COPIER LEASE 04/01/2023- 04/30/2023	362.00	0.00	1,169,864.92
0005228	5/04/2023	[10012] CAPCOA-CONFERENCE DUES 03/28/2023	46.35	0.00	1,169,818.57
0005229	5/04/2023	[11405] IT SOLUTIONS INTEGRATED-MONTHLY IT SERVICES	885.00	0.00	1,168,933.57
0005230	5/04/2023	[11511] JOEL S CRAIG-AIR MONITORING SERVICES 04/05/2023-04/21/2023	1,700.00	0.00	1,167,233.57
0005231	5/04/2023	[11540] LINDE GAS & EQUIPMENT INC.-CYLINDER RENTAL 03/20/2023- 04/20/2023	24.54	0.00	1,167,209.03
0005232	5/04/2023	[11512] SAMUEL OKTAY-ENGINEERING SERVICES APRIL 2023	2,447.00	0.00	1,164,762.03
0005233	5/04/2023	[00069] SOUTHERN CALIFORNIA EDISON-ELECTRICITY SERVICE 03/14/2023-04/11/2023	68.72	0.00	1,164,693.31
0005234	5/04/2023	[10592] SPECTRUM BUSINESS-FIBER 04/08/2023-05/07/2023	179.64	0.00	1,164,513.67
0005235	5/04/2023	[10483] STREAMLINE-WEB HOSTING 05/01/2023-06/01/2023	200.00	0.00	1,164,313.67
0005236	5/04/2023	[10046] VERIZON CALIFORNIA - NJ-LONG DISTANCE	34.13	0.00	1,164,279.54
0005237	5/04/2023	[01107] VERIZON WIRELESS-AIR MONITORING SIM CARD	40.03	0.00	1,164,239.51
0005238	5/04/2023	[11259] WEX BANK-Invoices 88098083, 88769720	981.26	0.00	1,163,258.25
0000001	5/04/2023	CREDIT CARD TRANSACTION	0.00	2,583.44	1,165,841.69
0000481	5/04/2023	CREDIT CARD TRANSACTION SOUTHERN COUNTIES LUBRICANTS	0.00	353.00	1,166,194.69
0000001	5/05/2023	CREDIT CARD TRANSACTION HANDELS ICE CREAM DCP LEGACY LANE	0.00	905.00	1,167,099.69
0000001	5/08/2023	CREDIT CARD TRANSACTION SNR 24 RANCHO VILLAGE	0.00	796.82	1,167,896.51
0000001	5/08/2023	CREDIT CARD TRANSACTION LEVEL 3	0.00	610.89	1,168,507.40
0000001	5/08/2023	CREDIT CARD TRANSACTION BURNS ENVIRONMENTAL	0.00	1,167.00	1,169,674.40
R23-43	5/10/2023	OPERATING FUND REPLENISHMENT #15	0.00	297,870.14	1,467,544.54
0000001	5/12/2023	CREDIT CARD TRANSACTION KAISER	0.00	916.34	1,468,460.88
0005239	5/15/2023	[11561] ANDREA ALICIA ALARCON-Invoices 1830, 1840	200.00	0.00	1,468,260.88
0005240	5/15/2023	[10076] ANTELOPE VALLEY AQMD-Invoices 1832, 1833, 1834	181,300.81	0.00	1,286,960.07
0005241	5/15/2023	[10518] AUSTIN BISHOP-Invoices 1827, 1836	200.00	0.00	1,286,760.07

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005242	5/15/2023	[10055] NEWTON CHELETTE-Attendance Governing Board meeting 04/18/2023	100.00	0.00	1,286,660.07
0005243	5/15/2023	[10057] MARVIN CRIST-Invoices 1826, 1835	200.00	0.00	1,286,460.07
0005244	5/15/2023	[10599] HOWARD HARRIS-Invoices 1828, 1838	200.00	0.00	1,286,260.07
0005245	5/15/2023	[10058] RONALD HAWKINS-Invoices 1829, 1839	200.00	0.00	1,286,060.07
0005246	5/15/2023	[10054] KENNETH MANN-Invoices 1831, 1841	200.00	0.00	1,285,860.07
0000001	5/15/2023	CREDIT CARD TRANSACTION CVS PHARMACY	0.00	796.82	1,286,656.89
0000001	5/15/2023	EFT TRANSACTION ZAYO	0.00	531.21	1,287,188.10
0000001	5/15/2023	CREDIT CARD TRANSACTION TOTAL aIR QUARTZ HILL 76	0.00	510.67	1,287,698.77
0005247	5/17/2023	[10233] ANTELOPE VALLEY FAIR ASSN-CORE EVENT - POPPY FESTIVAL COMMUNITY OUTREACH	960.00	0.00	1,286,738.77
0005248	5/17/2023	[01148] ANTELOPE VALLEY PRESS-NOTICE OF HEARING - PROPOSED BUDGET 2023-24	265.88	0.00	1,286,472.89
0005249	5/17/2023	[10006] BANK OF THE WEST-CREDIT CARD 1628 04/05/23-05/04/23	3,619.47	0.00	1,282,853.42
0005250	5/17/2023	[10006] BANK OF THE WEST-CREDIT CARD 1465 04/05/23-05/04/23	688.92	0.00	1,282,164.50
0005251	5/17/2023	[10006] BANK OF THE WEST-Credit Card -8190 04/10/2023-05/09/2023	3,867.92	0.00	1,278,296.58
0005252	5/17/2023	[11556] C.J. BROWN & COMPANY, CPAS-ACCOUNTING SERVICE APRIL 2023	550.00	0.00	1,277,746.58
0005253	5/17/2023	[10031] NOVACOAST INC-CAPS TRANSITION 04/29/2023	580.00	0.00	1,277,166.58
0005254	5/17/2023	[10071] QUADIENT LEASING-POSTAGE METER 05/02/2023-06/01/2023	78.17	0.00	1,277,088.41
0005255	5/17/2023	[10455] STRADLING YOCCA CARLSON & RAUTH-Invoices , , ,	3,768.00	0.00	1,273,320.41
0005256	5/17/2023	[10549] TELEDYNE API-CALIBRATOR ASSEMBLY	22,313.64	0.00	1,251,006.77
0005257	5/17/2023	[11402] TIME WARNER CABLE-SPECTRUM BUSINESS INTERNET 05/01/2023-05/31/2023	214.98	0.00	1,250,791.79
0000001	5/18/2023	CREDIT CARD TRANSACTION JOSHUA CREMATORY	0.00	2,092.67	1,252,884.46
0005258	5/19/2023	[10069] BRET BANKS-Invoices , , 1845, 1846	17,098.97	0.00	1,235,785.49
0000480	5/22/2023	CREDIT CARD TRANSACTION T3 CONTRACTORS	0.00	1,167.00	1,236,952.49
0000482	5/25/2023	CREDIT CARD TRANSACTION TARGET HERTZ	0.00	2,171.50	1,239,123.99
0000483	5/26/2023	ASBESTOS - AV MUFFLER CREDIT CARD TRANSACTION UNITED RENTALS CITY OF PALMDALE	0.00	724.22	1,239,848.21
0000484	5/30/2023	CREDIT CARD TRANSACTION WORKING CLASS AMERICAN	0.00	244.00	1,240,092.21

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000485	5/30/2023	CREDIT CARD TRANSACTION BURNS ENVIRONMENTAL	0.00	1,320.00	1,241,412.21
0000486	5/31/2023	CREDIT CARD TRANSACTION US POLE	0.00	5,014.32	1,246,426.53
Total for Report:			270,108.70	320,874.93	

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
WF AB2766

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0022690	5/04/2023	[11593] DAWNIA CRAFT-AB2766 GRANT	500.00	0.00	959,661.36
0022691	5/04/2023	[11592] DUNYA CUKUROVA-AB 2766 GRANT	500.00	0.00	959,161.36
0022692	5/04/2023	[11594] ISHEGA KO SAN MARTIN-AB 2766 GRANT	500.00	0.00	958,661.36
0022693	5/04/2023	[11591] MICHELLE THERESA SCHREIBER-AB 2766 GRANT	500.00	0.00	958,161.36
R23-41	5/04/2023	AB2766 Transfer - February 2023	0.00	49,983.01	1,008,144.37
Total for Report:			2,000.00	49,983.01	

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
WF AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0001075	5/04/2023	[10884] COAST AUTO SALVAGE-VOLUNTARY ACCELERATED VEHICLE RETIREMENT	3,600.00	0.00	1,985,201.10
0001076	5/04/2023	[10884] COAST AUTO SALVAGE-ANNUAL LAWN MOWER EXCHANGE PROGRAM 2023	5,375.00	0.00	1,979,826.10
R23-42	5/04/2023	AB923 - February 2023	0.00	46,863.76	2,026,689.86
Total for Report:			8,975.00	46,863.76	

Antelope Valley AQMD
Bank Register from 5/01/2023 to 5/31/2023
WF Carl Moyer

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0011036	5/04/2023	[10439] ANTELOPE VALLEY FARMING-CARL MOYER GRANT	41,140.00	0.00	2,476,156.85
Total for Report:			41,140.00	0.00	

The following page(s) contain the backup material for Agenda Item: [This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2023.](#)

Please scroll down to view the backup material.



Agenda Item #5

Date: July 18, 2023

Subject: June Operations Activity Report

Permit Inspections - 149

Notices of Violation (NOV) Issued – 0

Vapor Recovery Tests Witnessed – 2

Complaints – 1

Complaint Investigations – 1

Asbestos Notifications – 4

Asbestos Project Inspections - 0

Active Companies - 300

Active Facilities - 543

Active Permits – 1139

Certificate of Occupancy/Building – 1

Permit Reviews - 0

CEQA Project Comment Letters - 11

State or Local Air Monitoring Stations (SLAMS) Network Air Monitoring Site:

Lancaster Site (full meteorology, CO, NOx, O3, PM10, PM2)

Full meteorology (exterior temperature, wind speed, wind direction, exterior pressure and relative humidity)

Community Sensors:

13 **PurpleAir** particulate sensors (Del Sur School, Leona Valley Elementary, Anaverde Hills, Esperanza Elementary School, Joe Walker Middle School, Desert Willow Middle School, Amargosa Creek, Eastside High School, Littlerock High School, Knight High School, Westside School District Offices, (2) Wilsona School District.

AVAQMD CEQA PROJECTS						
BOARD MEETING						
7/18/2023						
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
5/30/2023	Lancaster	3,600 s.f. Car Wash	Conditional Use Permit 23-007 requesting to construct a new approx. 3,600 square foot car wash. This project site is located at 20th Street East and Avenue J in the city of Lancaster, CA (APN: 3147-041-028).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	6/20/2023	6/8/2023
5/30/2023	Lancaster	Major Retail Line ~52,000 s.q. ft	Director's Review 23-060 for the request to construct a new major retail lineup of approx. 52,200 square feet. This project site is located at 20th Street East and Avenue J in the city of Lancaster, CA (APN: 3129-017-033).	DCP Rule 219-Permitting CARB Equipment EV Charging Grant	6/20/2023	6/8/2023
6/13/2023	Palmdale	Co-Part Industrial Car Yard	Pre-Application 23-026 requesting to develop approximately 10 vacant acres for short-term storage and sale of operable and inoperable used vehicles and equipment. This project site is located at East Avenue L, approximately 1,680 feet west of 40th Street East in the city of Palmdale, CA (APN: 3170-015-004).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment	6/20/2023	6/15/2023
5/24/2023	Palmdale	Warehouse Building	Site Plan Review 23-005 requesting to construct an industrial warehouse building totaling approximately 193,000 square feet on a 9-acre vacant parcel. This project site is located on the southwest corner of 12th Street East and Rancho Vista Boulevard in the city of Palmdale, CA (APN: 3022-004-036).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	6/21/2023	6/15/2023
4/27/2023	Palmdale	Co-Part Industrial Car Yard	Pre-Application 23-025 requesting to develop approximately 39 vacant acres for short-term storage and sale of operable and inoperable used vehicles and equipment. This project site is located on the southwest corner of Avenue L and 40th Street East in the city of Palmdale, CA (APN: 3170-015-006).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment	5/31/2023	6/15/2023
6/20/2023	Palmdale	Battery Energy Storage System (BESS)	Pre-Application 23-031 requesting to develop a Battery Energy Storage System (BESS) on a 4.64-acre segment of a 40.18-acre vacant parcel. This project site is located at Tierra Subida and Avenue Q-8 in the city of Palmdale, CA (APN: 3004-012-015).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment	7/3/2023	6/29/2023

AVAQMD CEQA PROJECTS						
BOARD MEETING						
7/18/2023						
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
6/20/2023	Palmdale	Converting Office Building to Apartment Building	Pre-Application 23-032 for the request to convert an office building into an apartment building. This project site is located at 465 East Palmdale Boulevard, Palmdale, CA (APN: 3008-025-031).	Dust Control Signage & Project Signage Information Form Rule 1403-Asbestos Rule 219-Permitting CARB Equipment EV Charging Grant	7/3/2023	6/29/2023
6/20/2023	Palmdale	Industrial Building	Pre-Application 23-033 for the request to construct one building totaling 4,360 square feet. This project site is located on the west side of Sierra Highway, south of Avenue R in the city of Palmdale, CA (APNs: 3010-025-035 and -036).	Dust Control Signage & Project Signage Information Form Rule 219-Permitting CARB Equipment EV Charging Grant	7/3/2023	6/29/2023
6/21/2023	Palmdale	3 Warehouse Buildings	Pre-Application 23-034 for the request to develop a 1.8-acre vacant parcel with three buildings totaling 30,000 square feet. This project site is located at 10th Street East and Avenue S in the city of Palmdale, CA (APN: 3012-024-005).	Dust Control Signage & Project Signage Information Form Rule 219-Permitting CARB Equipment EV Charging Grant	7/18/2023	6/30/2023
6/21/2023	Palmdale	9 Buildings: Gas Station, Office, Apartments, etc.	Pre-Application 23-035 requesting to develop a 9-acre vacant parcel with nine buildings totaling 135,941 square feet. This project site is located at the NEC of Palmdale Blvd and 40th Street East in the city of Palmdale, CA (APN: 3023-003-032).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	7/18/2023	6/30/2023
6/29/2023	Lancaster	Industrial/Distribution Facility	Notice of Availability/Notice of Intent to Adopt a Mitigated Negative Declaration for Site Plan Review (SPR) No. 23-004 requesting to construct a 647,000 square foot industrial/distribution facility with 40,000 s.f. of office space on approximately 38 acres. This project site is located at the northeast corner of 45th Street West and Avenue G in the city of Lancaster, CA (APNs: 3105-001-011, -012, -013, -014).	Rule 302-Construction Excavation DCP Rule 219-Permitting CARB Equipment EV Charging Grant	7/27/2023	6/30/2023

The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the amendment of Rule 301 – Permit Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM # 6

DATE: July 18, 2023

RECOMMENDATION: Conduct a public hearing to consider the amendment of Rule 301 – *Permit Fees*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

SUMMARY: Adjustments in fees are required from time to time to ensure that fees are aligned with the reasonable regulatory costs of the programs they support. Rule 301 is proposed for amendment to adjust fees by eight percent (8%) to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations; a 15% increase to Classification D, E, and F to recover permitting and inspection costs for engines over a specific horsepower as the costs for this type of equipment is not commensurate with the fee revenue received.

BACKGROUND: Rule 301 – *Permit Fees* was last amended 07/19/2022. The 07/19/2022 effective 01/01/2023 version is the current version in the AVAQMD rulebook.

Rule 301 is proposed for amendment to ensure that the costs(fees) are aligned with the reasonable regulatory costs of the programs they support. The proposed eight percent (8%) fee adjustment and the 15% fee adjustment to Classification D, E and F are designed to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM # 6

PAGE 2

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the amendment of Regulation III pursuant to the requirements of CEQA.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all State Implementation Plan (SIP) revisions be adopted after public notice and hearing.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Barbara Lods, Executive Director – Antelope Valley Operations on or about July 8, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Barbara Lods, Executive Director/APCO.

RESOLUTION 23-03

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 301 – PERMIT FEES AND DIRECTING STAFF ACTIONS.

On July 18, 2023, on motion by Member _____, seconded by Member _____, and carried, the following resolution is adopted:

WHEREAS, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

WHEREAS, on July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin; and

WHEREAS, the SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them; and

WHEREAS, on January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD; and

WHEREAS, once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them; and

WHEREAS, the District’s mandated functions such as compliance, permit issuance, and permit administration are labor intensive; and

WHEREAS, therefore, the related fee revenue should be structured to support the relevant regulatory and administrative activities; and

WHEREAS, the 2023-2024 budget includes anticipated revenue derived from a proposed 8% fee increase to Rule 301 – *Permit Fees* to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations; a 15% increase to Classification D, E, and F to recover permitting and inspection costs for engines over a specific horsepower as the costs for this type of equipment is not commensurate with the fee revenue received; and

//

RESOLUTION 23-03

1 **WHEREAS**, therefore, the proposed fee adjustment is well within the provisions of Health & Safety
2 Code §42311(a) and falls within the exemption found in Article XIII C §1(e)(3) of the California
3 Constitution; and

4 **WHEREAS**, to allow time to implement the proposed fee changes, the amendment of Rule 301 –
5 *Permit Fees* is proposed to be effective on January 1, 2024; and

6 **WHEREAS**, the proposed amendments to Rule 301 is clear in that the meaning can be easily
7 understood by the persons impacted by the rule; and

8 **WHEREAS**, the proposed amendments to Rule 301 is in harmony with, and not in conflict with, or
9 contradictory to existing statutes, court decisions, or state or federal regulations because these laws and
10 regulations allow for the proposed amendments to the fee rules; and

11 **WHEREAS**, the proposed amendment of Rule 301 does not impose the same requirements as any
12 existing state or federal regulation because H&S Code §40702 allows the District to adopt, amend or repeal
13 rules and regulations, and H&S Code §42311 and various other sections merely authorize the imposition of
14 such fees but do not specify the types and amounts of fees to be imposed; and

15 **WHEREAS**, the proposed fee increase will recover the increase projected for expenditures related
16 to the costs of the permitting program and implementing district rules and regulations; issuing air quality
17 permits; performing facility inspections, and public complaint investigations and rule development
18 activities.; and

19 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H & S Code
20 §40725, concerning the proposed amendments to Rule 301; and

21 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the
22 proposed amendments to Regulation III, completed in compliance with the California Environmental
23 Quality Act (CEQA), has been presented to the AVAQMD Board; each member having reviewed,
24 considered and approved the information contained therein prior to acting on the proposed amendments to
25 Rule 301, and the AVAQMD Board having determined that the proposed amendments will not have any
26 potential for resulting in any adverse impact upon the environment; and

27 **WHEREAS**, the Board of the AVAQMD has considered the evidence presented at the public
28 hearing; and

RESOLUTION 23-03

1 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds that
2 the proposed amendment to Rule 301 – *Permit Fees* is necessary, authorized, clear, consistent, non-
3 duplicative and properly referenced; and

4 **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a
5 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of
6 Exemption for the proposed amendment to Rule 301 – *Permit Fees*; and

7 **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to
8 the authority granted by law, the proposed amendment to Rule 301 – *Permit Fees* as set forth in the
9 attachments to this resolution and incorporated herein by this reference; and

10 **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,
11 that the Executive Director is directed to file the Notice of Exemption in compliance with the provisions of
12 CEQA.

13 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Antelope Valley Air
14 Quality Management District by the following vote:

15 AYES: MEMBER:
16 NOES: MEMBER:
17 ABSENT: MEMBER:
18 ABSTAIN: MEMBER:

19
20 STATE OF CALIFORNIA)
21 COUNTY OF LOS ANGELES) SS:
22

23
24 I, Adrianna Castaneda, Administrative Assistant of the Governing Board of the Antelope Valley
25 Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the
26 record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of
27 July 18, 2023.

28 Adrianna Castaneda
Administrative Secretary,
Antelope Valley Air Quality Management District



Antelope Valley
Air Quality Management District

Draft
Staff Report

Proposed Amendments to
Rule 301 – *Permit Fees*

For amendment on
July 18, 2023

2551 WEST AVENUE H
LANCASTER, CALIFORNIA 93536
PHONE (661) 723-8070

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STAFF REPORT

Rule 301 – *Permit Fees*

I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

II. EXECUTIVE SUMMARY

On July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin. The SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD. Once again, the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them.

The District's mandated functions such as compliance, permit issuance, and permit administration are labor intensive. Therefore, the related fee revenue should be structured to support the relevant regulatory and administrative activities.

The 2023-2024 budget includes anticipated revenue derived from a proposed 8% fee increase to Rule 301 – *Permit Fees* to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations; a 15% increase to Classification D, E, and F to recover permitting and inspection costs for engines over a specific horsepower as the costs for this type of equipment is not commensurate with the fee revenue received.

The proposed fee adjustments are well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIII C §1(e)(3) of the California Constitution.

To allow time to implement the proposed fee changes, the amendment of Rule 301 – *Permit Fees* is proposed to be effective on January 1, 2024.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the AVAQMD adopt amendments to Rule 301 – *Permit Fees* and approve the appropriate CEQA documentation.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to Rule 301-*Permit Fees*. Each item is discussed, if applicable, in Section V below. Copies of documents are included in the appropriate Appendix.

FINDINGS REQUIRED FOR RULES & REGULATIONS

- X Necessity
- X Authority
- X Clarity
- X Consistency

- X Non-duplication
- X Reference
- X Public Notice & Comment
- X Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

- N/A Public Notice & Comment
- N/A Availability of Document
- N/A Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- N/A Public Hearing
- N/A Legal Authority to adopt and implement the document.
- N/A Applicable State laws and regulations were followed.

ELEMENTS OF A FEDERAL SUBMISSION

- N/A Elements as set forth in applicable Federal law or regulations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

- N/A Ministerial Action
- X Exemption
- N/A Negative Declaration
- N/A Environmental Impact Report
- X Appropriate findings, if necessary.
- X Public Notice & Comment

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

- X Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

OTHER:

- N/A Written analysis of existing air pollution control requirements
- X Economic Analysis
- X Public Review

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendments to Rule 301 – *Permit Fees*. These are actions, that need to be performed, and/or information, that must be provided in order to amend the Regulation in a procedurally correct manner.

1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the AVAQMD Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Board in making these findings.

a. Necessity:

The District’s mandated functions such as compliance, permit issuance, and permit administration are labor intensive. Therefore, the related fee revenue should be structured to support the relevant regulatory and administrative activities.

b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The AVAQMD also has the authority to adopt and amend annual fees for the evaluation, issuance and renewal of permits (H&S Code §§41240, 41330, 41512.7, 40711(a), 42310.5, 42311, and 42311.2), enforcement, inspections and air monitoring (H&S Code §§41240, 41330, 40701, 40715, 41512, 41512.5, 42311, 42311.2, 42707, and 42400 et seq.), planning and rule development (H&S Code §§41240, 41330, 41512.7, 40727.2 and 42311), public records act compliance (Government Code 6253), toxic “Hot Spots” (H&S Code §§44344.4, 44380, 44381 and 17 CCR 90703) and “Title V Permitting” (40 CFR 70.9, H&S Code §§41330, 41512.7 and 42311).

c. Clarity:

The proposed amendments to Rule 301 – *Permit Fees* are clear in that they are written so that the persons subject to the rule can easily understand the meaning. Any person or organization applying for and/or holding an AVAQMD Authority to Construct (ATC) or Permit to Operate (PTO) is affected by the proposed amendments to Rule 301. This rule amendment has been developed to adjust fees to Rule 301 to recover the rising costs associated with issuing and enforcing both District and Federal permits.

d. Consistency:

The proposed amendment of Rule 301 – *Permit Fees* is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions because these laws and regulations allow for the proposed amendments to the fee rules.

e. Non-duplication:

The proposed amendment of Rule 301 – *Permit Fees* does not impose the same requirements as any existing state or federal law or regulation because H&S Code §40702 allows the District to adopt, amend or repeal rules and regulations and H&S §42311 and various other sections merely authorize the imposition of such fees but does not specify the types and amounts of fees to be imposed.

f. Reference:

AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations and the authority pursuant to H&S Code §42311 to adopt a schedule of annual fees.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment of Rule 301 – *Permit Fees* will be published on June 16, 2023 for the July 18, 2023 Governing Board meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. Rule 301 – *Permit Fees* is a fee rule and does not ordinarily require submission to USEPA. Various prior versions of Rule 301 were previously

included in the State Implementation Plan (SIP). USEPA removed these rules from the SIP on November 16, 2004 (69 FR 67062; 40 CFR 52.220(c)(137)(vii)(F)). Therefore, these rules are not required to be a federal submittal.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the District. The proposed amendments to Rule 301 – *Permit Fees* only modify fees and provide minor clarification. These proposed amendments do not in themselves impose air pollution control requirements. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

C. ECONOMIC ANALYSIS

1. General.

Fees are a primary revenue source that supports the District’s efforts to implement and enforce the provisions of the Federal Clean Air Act (FCAA), the California Clean Air Act (CCAA) and District Rules and Regulations. Permit fee schedules reflect the expenditure required to provide analysis of applications, inspections of the regulated community, tracking the inventory of pollutants produced by the regulated industry, and enforcement of federal, state and local mandates regarding air pollution among other mandatory District functions.

2. Economic Analysis for Rule 301 – *Permit Fees*

The AVAQMD is proposing a fee increase to Rule 301 – *Permit Fees* to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations.

The proposed fee adjustments are well within the provisions of Health & Safety Code §42311(a) and fall within the exemption found in Article XIIC §1(e)(3) of the California Constitution.³

3. Incremental Cost Effectiveness.

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the CCAA requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds, oxides of nitrogen or oxides of sulfur. The proposed amendments to *Rule 301 – Permit Fees* only affect fees and rule structure, and therefore do not require this analysis.

D. ENVIRONMENTAL ANALYSIS (CEQA)

1. Through the process described below, it was determined that a Notice of Exemption would be the appropriate CEQA process for the proposed amendments to Rule 301 – *Permit Fees*.

a. The proposed amendments to Rule 301 – *Permit Fees* meet the CEQA definition of “project.” They are not “ministerial” actions.

b. The proposed amendments to Rule 301 – *Permit Fees* are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The proposed amendments to Rule 301 – *Permit Fees* does not have any potential environmental impacts because the amendments merely adjust fees, make minor format corrections and provide clarification. The amendments do not have any impact upon emissions of air contaminants.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) as well as Appendix B.

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

The proposed amendments will affect permit holders and applicants subject to Rule 301 – *Permit Fees*.

B. EMISSIONS

The proposed amendments to Rule 301 – *Permit Fees* only adjust fees, and thus will have no impact on emissions.

C. CONTROL REQUIREMENTS

The proposed amendments to Rule 301 – *Permit Fees* does not impose any control requirements.

D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 301 – *Permit Fees*. Only a brief summary of each section is included. Readers are encouraged to examine the *[bracketed and italicized]* notations contained in the iterated version of the rule contained in Appendix “A” for notations regarding movement and modification of specific sections and subsections.

1. AVAQMD Rule 301 – *Permit Fees*:

Rule 301 – *Permit Fees*, includes an 8% increase in most fees to recover a portion of the increase in the District’s projected overall operating expenditures related to the costs of issuing air quality permits, performing facility inspections, public complaint investigations and rule development activities, as part of implementing district rules and regulation required pursuant to the provisions of Regulation II – *Permits* and Regulation XIII – *New Source Review*. Rule 301 also includes a 15% increase for (E) fee classifications D-F as the costs for this type of equipment is not commensurate with the fee revenue received.

(A)(4) is proposed for modification to reflect an effective date of January 1, 2024.

(D)(1)(a) is proposed for modification to reflect an increase of 8%, rounded to the nearest dollar.

(D)(1)(a)(i) is proposed for modification to reflect an increase of 8%, rounded to the nearest dollar.

(D)(6)(b)(i) is proposed for modification to reflect an increase of 8%, rounded to the nearest dollar.

(D)(9)(b) is proposed for modification to reflect an increase of 8%, rounded to the nearest dollar.

(D)(11)(a)(i) is proposed for modification to reflect an increase of 8%, rounded to the nearest dollar.

(E) Classification A through C, Electrical Generating Equipment and Nozzles are proposed for a 8% adjustment.

(E) Classification D through F, Reciprocating Internal Combustion Engines are proposed to be adjusted by 15%.

E. RULE HISTORY

Prior to July 1, 1997 the Antelope Valley was contained within the SCAQMD. On July 1, 1997 the AVAPCD replaced the SCAQMD as the agency with jurisdiction over the Los Angeles County portion of the Mojave Desert Air Basin (MDAB). On January 1, 2001 the AVAPCD was replaced by the AVAQMD. Pursuant to both statutory changes, the rule and regulations of the predecessor district were retained until the Governing Board adopted, amended or rescinded them. At the first meeting of both the AVAPCD and the AVAQMD, the respective Governing Boards reaffirmed all the rules and regulations in effect at the time the agency changed.

The jurisdiction of the AVAPCD and the AVAQMD were specified in the statutes as the portion of the Los Angeles County contained within the MDAB. The MDAB was formerly known as the Southeast Desert Air Basin (SEDAB). In 1997 the SEDAB was split into the MDAB and the Salton Sea Air Basin. Descriptions of these air basins can be found in 17 Cal. Code Regs. §§60109 and 60144. Since USEPA adopts SIP revisions in California as effective within jurisdictional boundaries of local air districts, when the local air district boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Thus, upon creation of the AVAPCD on July 1, 1997 the AVAPCD acquired the SIP applicable to the Antelope Valley portion of the SCAQMD that was affected as of June 30, 1997. Likewise, the AVAQMD acquired the SIP that was effective in the jurisdiction of the AVAPCD as of December 31, 2000. Therefore, the SIP history for this region is based upon the rules adopted, effective, and approved for the Antelope Valley by SCAQMD.

Rule 301 was originally adopted by the SCAQMD on 02/04/1977. It has been subsequently amended 05/27/77, 01/06/78, 06/16/78, 04/04/80, 09/05/80, 06/05/81, 09/09/82, 12/03/82, 06/03/83, 05/04/84, 07/06/84, 11/02/84, 12/06/85, 05/01/87, 06/03/88, 12/02/88, 01/06/89, 06/02/89, 06/01/90, 06/07/91, 12/06/91, 06/05/92, 07/10/92, 06/11/93, 10/08/93, 06/10/94, 05/12/95, 10/13/95, 05/10/96, 05/09/97, 03/17/98, 11/15/05 effective 01/01/06, 09/18/07 effective 01/01/08, 06/17/08 effective 01/01/09, 06/15/10 effective 01/01/11, 06/19/12 effective 01/01/13, 06/18/13 effective 01/01/14, 07/15/14 effective 01/01/15, 07/21/15 effective 01/01/16, 07/19/16; effective 01/01/17, 07/18/17 effective 01/01/18; 07/17/18 effective 01/01/19; 7/16/19 effective 1/01/2020, 08/18/2020 effective 01/01/2021, 07/20/21 effective 01/01/2022, and 07/19/2022 effective 01/01/2023. The last version is the current version in the AVAQMD rulebook.

Rule 301 is proposed for amendment to adjust most fees by 8% to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations. In addition, Rule 301 also includes a 15% increase for (E) fee classifications D-F as the costs for this type of equipment is not commensurate with the fee revenue received.

F. PROPOSITION 26 ANALYSIS

On November 2, 2010 the California voters added Article XIIC §1(e) to the California Constitution (commonly referred to as Proposition 26). This provision added a new

definition of “tax” which resulted in a variety of fees and charges imposed by local governmental entities to be subject to voter approval. The provisions also provided several exceptions to this voter approval requirement including but not limited to:

A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

If a fee increase falls within one or more of these exceptions it is considered not a tax and thus not subject to voter approval.

1. Justification for Fee Adjustment to Rule 301 – *Permit Fees*

In general, air district permit fees would fall under this exemption so long as they are reasonably related to the costs of issuance and enforcement of the permits. A similar requirement that air district fees be reasonably related to costs of district programs is found in Health & Safety Code §42311(a) and includes language indicating that a CPI adjustment is part of a measure of the reasonable increase in district costs. In addition, the California League of Cities in its April 2011 implementation guide for Prop 26¹ opined that a CPI increase is part of the reasonable regulatory cost of issuing a license or permits and thus does not need voter approval.

The budget includes anticipated revenue derived from a proposed 8% fee increase to most permit fees and a 15% increase to certain fees for internal combustion engines. The proposed increase is expected to recover the costs of permitting, performing inspections, investigations and enforcing District rules and regulations.

The proposed fee adjustment is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIIC §1(e)(3) of the California Constitution.

¹ <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Proposition-26-Implementation-Guide>

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APPENDIX "A"
Rule 301 – *Permit Fees*
Iterated Version

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~—Lined out text~~ identifies language which is being deleted.
3. Normal text identifies the current language of the current rule which will remain unchanged by the adoption of the proposed amendments.
4. *Italicized text* identifies explanatory material that is not part of the proposed language

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(Adopted: 02/04/77; Amended: 05/27/77; Amended: 01/06/78; Amended: 06/16/78; Amended: 04/04/80; Amended: 09/05/80; Amended: 06/05/81; Amended: 09/09/82; Amended: 12/03/82; Amended: 06/03/83; Amended: 05/04/84; Amended: 07/06/84; Amended: 11/02/84; Amended: 12/06/85; Amended: 05/01/87; Amended: 06/03/88; Amended: 12/02/88; Amended: 01/06/89; Amended: 06/02/89; Amended: 06/01/90; Amended: 06/07/91; Amended: 12/06/91; Amended: 06/05/92; Amended: 07/10/92; Amended: 06/11/93; Amended: 10/08/93; Amended: 06/10/94; Amended: 05/12/95; Amended: 10/13/95; Amended: 05/10/96; Amended: 05/09/97; Amended: 03/17/98; Amended: 11/15/05 effective 01/01/06 amended 09/18/07 effective 01/01/08; Amended 06/17/08 effective 01/01/09; Amended 06/15/10 effective 01/01/11; Amended: 06/19/12; effective 01/01/13; Amended 06/18/13; effective 01/01/14; Amended: 07/15/14 effective 01/01/15; Amended: 07/21/15 effective 01/01/16; Amended 07/19/16 effective 01/01/17; Amended 07/18/17, effective 01/01/18; Amended 07/17/18, effective 01/01/19; Amended 07/16/19, effective 01/01/2020; Amended 08/18/2020, effective 01/01/2021; Amended 07/20/2021, effective 1/01/2022; Amended 07/19/2022, effective 01/01/2023; Amended 07/18/2023, effective 01/01/2024

RULE 301 PERMIT FEES

(A) General

(1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II – *Permits*, and Regulation XIII – *New Source Review*.

(2) Applicability

- (a) This rule applies to:
 - (i) Any person subject to the provisions of Regulation II – *Permits*, Regulation XIII – *New Source Review*, or Regulation XVII – *Prevention of Significant Deterioration*.
 - (ii) Any governmental entity.
 - a. Federal, State or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300).
 - (iii) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)*.
 - a. Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.

(3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Health and Safety Code Sections 42311, 42311.2 and 42311.5.

(4) Effective Date

- (a) The amendments to this rule adopted on 07/18/2023 shall be effective on 01/01/2024.

(B) Definitions

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

- (1) “Alteration Or Modification” – Any physical change, change in method of operation of, or addition to, an existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
- (a) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
- (b) An increase in the hours of operation.
- (2) “Cancellation” (or Cancel) – An administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (3) “Emission Reduction Credit” (ERC) – The amount of emissions reduction which is verified and determined by the APCO to be eligible for credit in an emissions reduction bank pursuant to District Rule 1309.
- (4) “Equipment” – Any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
- (a) Requires a permit pursuant to Rules 201 and/or 203; or
- (b) Is in operation pursuant to the provisions of Rule 219.
- (5) “Expiration” – The end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (6) “Facility” – Any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control). Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility.
- (7) “Stationary Source” (or Source) – Any article, machine, equipment, contrivance or combination thereof which emits or has the potential to emit any regulated air

pollutant and is required to have a permit pursuant to the provisions of District Rules 201, 202 and 203.

- (8) “Temporary Permit to Operate” – An interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to District Rule 202.

(C) Requirements and Procedures

- (1) Fees, as specified herein, are required for the following activities:
- (a) Filing of a permit application.
 - (b) Evaluation of new or modified equipment and/or Facilities that may cause air pollution or equipment intended to control air pollution.
 - (c) Issuance of authority to construct(s).
 - (d) Issuance of permit(s) to operate.
 - (e) Annual permit to operate renewal.
 - (f) Annual authority to construct renewal.
 - (g) Change of location or ownership of a permit.
 - (h) Alteration, modification, addition or revisions to equipment.
 - (i) Permit granted or denied by Hearing Board.
 - (j) Issuance of signed duplicate or corrected permit.
 - (k) Issuance of permit(s) for previously unpermitted or altered equipment.
 - (l) Filing of application for issuance or modification of ERCs pursuant to District Rule 1309.
 - (m) Reinstatement of a delinquent permit.
 - (n) Any fees applicable to equipment located at a facility subject to Regulation XXX – *Federal Operating Permits (Title V)*.
 - (i) Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.
- (2) Fees shall be paid when due as specified herein.
- (a) Application and Duplicate Permit Fees

- (i) Application filing fees required pursuant to Section (D)(1) shall be submitted in conjunction with the application.
 - (ii) Fees for signed duplicate or corrected permit fees required pursuant to Section (D)(9) shall be submitted in conjunction with the request for the duplicate or corrected permit.
- (b) Project Evaluation Fees for Complex Sources.
- (i) Project evaluation fees for complex sources required pursuant to Section (D)(2) shall be submitted not later than thirty (30) days of written notification to the applicant that the application is subject to this fee.
 - (ii) If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
- (c) Initial and Annual Permit fees.
- (i) Permit fees shall be invoiced as follows:
 - a. At least thirty (30) days before the expiration date as shown on the permit; or
 - b. In the case of an initial permit fee thirty (30) days after issuance of the permit or the due date on the invoice produced after issuance of the permit, whichever is later.
 - (ii) The permit owner/operator or applicant will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.
 - (iii) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date of the invoice or expiration date on the permit, whichever occurs first, and shall no longer be valid.
 - (iv) If the applicable fees remain unpaid, within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever occurs first, the owner/operator or applicant shall be notified in writing by first class mail, postage prepaid:
 - a. That the permit has become delinquent for non-payment of fees and is no longer valid; and
 - b. The consequences of continuing to construct or operate with an invalid permit.
 - (v) If, after notification, the permit remains delinquent for more than three (3) months, the permit shall become inactive in the District's records.

(3) Reinstatement of Permits

- (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of

Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with section 42400).

- (4) Inactive Permits
 - (a) A permit which has become inactive is null and void. The equipment which was the subject of the inactive permit may be permitted again by the District so long as the owner/operator submits a new permit application. Such new permit application will be processed as if the equipment was an entirely new unit requiring a permit.
- (5) Refunds
 - (a) No claim for refund for any fee required by this rule shall be honored unless:
 - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
 - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
 - (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
 - (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
 - (d) The application filing fee set forth in section (D)(1) is non-refundable.
- (6) Pro-rated fees
 - (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
 - (i) Initial Permit Fee;
 - (ii) Annual Permit to Operate Renewal Fee;
 - (iii) Permit to Construct Renewal Fee;
 - (iv) Alteration, Modification, Addition or Revision Fees.
 - (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
 - (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.
- (7) Service Charge for Returned Checks

- (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(8) Credit Card Payments

- (a) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.

(D) Fees

(1) Application Filing Fee

- (a) Any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$654.00, except for:
 - (i) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall be assessed a fee of \$1,089.00.
 - (b) The application filing fee is non-refundable and shall not be applied to any subsequent application.
 - (c) Applications shall not be accepted unless they are accompanied by the application filing fee.

(2) Project Evaluation Fee for Complex Sources

- (a) Any person who submits an application which is related to projects to construct or modify any of the following, shall be assessed a project evaluation fee for complex sources.
 - (i) Equipment associated with landfills;
 - (ii) Equipment associated with resource recovery projects;
 - (iii) Equipment associated with energy cogeneration projects;
 - (iv) Equipment associated with electrical power plants;
 - (v) Other permit units subject to the provisions of District Rule 1303(B);
 - (vi) Emissions of hazardous and toxic material requiring a Health Risk Assessment pursuant to District Rule 1401(E)(3) or a Case-By-Case MACT determination pursuant to District Rule 1401(F)(2) and/or waste disposal or treatment facilities;
 - (vii) Any facility requiring a permit under Regulation XVII – *Prevention of Significant Deterioration*; and
 - (viii) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these Rules or Regulations would require over two (2) hours of staff time to complete.

- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within 30 days of written notification by the District that the application is subject to this fee.
 - (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
 - (i) This fee shall be calculated at a labor rate of \$173.00 per hour plus actual expenses.
 - (ii) The fee shall accrue and be applied against the deposit.
 - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
 - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
 - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
 - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.
 - (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
 - (e) Actual expenses of the District include project notice fees which are incurred on behalf of project public notices.
 - (f) The provisions of Section (C)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
- (3) Initial Permit Fee
- (a) Except as otherwise provided in this Rule, any person who applies for a new or modified permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth in section (E)(1).
 - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate initial permit fee. Such alternate

initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.

(b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.

(i) Notice may be given by personal service or by mail, postage prepaid.

(4) Annual Permit to Operate Renewal Fee

(a) Permits to operate shall be annually renewable, upon payment of fees.

(b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).

(c) The annual permit to operate renewal fee shall be invoiced as specified in Section (C)(2)(c) above.

(5) Permit to Construct Renewal Fee

(a) Authorities to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.

(b) The authority to construct renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).

(i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.

(c) Authorities to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension of time pursuant to the provisions of District Rule 205 has been granted by the APCO.

(d) The authority to construct renewal fee shall be invoiced as specified in Section (C)(2)(c) above.

(e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary

permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (C)(2).

(6) Change of Location or Ownership Fees

- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
 - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
 - (ii) The person will be notified by mail, postage prepaid, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
 - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
- (b) Permits, pursuant to the provisions of District Rule 209, are only valid as to the person named on the permit.
 - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$381.00 for each permit being transferred from one person to another.
 - (ii) The filing fee set forth in Section (D)(1) are waived for applications solely requesting a change of ownership
 - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.
- (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(7) whichever is greater.

(7) Alteration, Modification, Addition or Revision Fees

- (a) Any person who applies for a permit requesting alterations, modifications, additions, or revisions of the permit resulting from a change to equipment included on a currently valid permit shall be assessed an application filing fee pursuant to Section (D)(1) and a permit revision fee.
- (b) The permit revision fee shall be calculated as follows:

- (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous years annual permit to operate renewal fee pro-rated for the period between the date of issuance for the permit containing the alteration addition or revisions and the original permit(s) expiration date.
 - (c) The permit revision fee shall be invoiced as set forth in Section (C)(2)(c)(i).
 - (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(6) whichever is greater.
- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
 - (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this Rule.
 - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
 - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
 - (a) A request for a signed duplicate permit or for administrative corrections to a permit shall be made in writing by the permit holder.
 - (b) The permit holder may be assessed a fee of \$190.00 for issuing each signed duplicate or corrected permit.
 - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.
- (10) Previously Unpermitted or Altered Equipment Fee.
 - (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to construct in accordance with Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.
 - (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.

- (c) The unpermitted equipment fee is due when the permit to operate is granted.
- (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
- (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in Rule 219.
- (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.

(11) Fees for Issuance of Emission Reduction Credits

- (a) Any person submitting an application for Emission Reduction Credits pursuant to District Rule 1309 shall pay the following fees:
 - (i) An initial application fee of \$1,133.00 for each application submitted.
 - (ii) An analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours labor billed at the rate of \$173.00 per hour.
 - (iii) The actual cost of publication of notice if such is required pursuant to District Rule 1309.
- (b) Any person submitting a document effecting an encumbrance or transfer of Emission Reduction Credits pursuant to District Rule 1309 shall pay a fee of \$173.00 for each document submitted.

(12) Reinstatement Fee for a Delinquent Permit

- (a) Any person who applies for delinquent permit reinstatement pursuant to the provisions of subsection (C)(3)(a) shall be assessed a fee equal to the amount of all outstanding fees, fines and penalties for the particular unit that is the subject of the permit and an initial permit fee for that unit for the current year.

(E) Schedules for Fees

- (1) Initial Permit and Annual Permit to Operate Renewal and Authority to Construct Renewal Fees.
- (a) Any Equipment or Process subject to the provisions of this rule shall be assigned a fee classification based upon the equipment and/or process type as set forth in Table 1 of this rule.
- (b) Any Equipment or Process subject to the provisions of this rule which is not otherwise listed in Table 1 of this rule shall be assigned fee classification B.
- (c) All applicable fees shall be assessed pursuant to the fee classifications listed in Table 1 according to the following schedule:

Equipment/Process Classification	Fee Amount
Classification A	\$631.08
Classification B	\$2,260.18
Classification C	\$5,421.87
Classification D – Reciprocating Internal Combustion Engines rated 50 bhp to 499 bhp and All Emergency Engines	\$702.52
Classification E - Reciprocating Internal Combustion Engines rated 500 bhp to 749 bhp.	\$1,444.85
Classification F - Reciprocating Internal Combustion Engines rated 750 bhp or greater	\$2,640.68
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$7,514.19 plus \$180.31 per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$20,860.53 plus \$45.72 per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$68.28 per product/per nozzle

[SIP: Not SIP]

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Basic Process Systems including ancillary equipment	Any Abrasive Blasting; Anodizing; Blending; Chemical (no toxics, hazardous) Milling; Cooling Tower; Any Degreaser; Deposition Ceramics; Dry Cleaning; Etching; Film Cleaner; Grinder; Ink Mfg; Laundry; Liquid Container Filling; Packaging; Polystyrene Extrusion; Polyurethane Mfg; Refrigerant Handling and/or Processing; Smoke Generator; Soldering; Stripping; Vacuum Metallurgy	Adhesives; Air Stripper; Ammonia Process; Asphalt Process; Auto Body Shredding; Battery Charging/Mfg; Chemical (toxics, hazardous) Milling; Degreaser; Plastic/Resins Handling; Soil Vapor Extraction; Vacuum Generator; Any process not otherwise listed under any category	Landfill Gas Treatment; Liquid Hazardous Waste Processing; LPG Distiller
<i>Other Processes</i>			
Bulk and Crustal Material Handling	Aggregate Conveying, Loading and/or Unloading; Bulk Chemical Terminal; Green Waste Screening; Paper Conveying; Weigh Station	Aggregate Production; Concrete Batch Plant; Concrete/Asphalt Crushing; Other Conveying; Loading/unloading; Other Screening; Soil Treatment	All others including Asphalt Batch Plant
Coating including Printing and Coating Within Spray Booths	Asphalt/Tar Pot; Asphaltic; Can/Coil; Any Dip Tank; Fabric; Film; Flow; Paper; Printing Press, IR/UV Over, Air Dry or Screen; Roller; Spray; Stereolithography; Striping; Tablet	Asphalt Saturator; Printing Press Other; Spraying Resin/Gel Coat; Wood	
Feed/Food Preparation and Handling	Charbroiler with integral control; Feed Handling; Restaurant Charbroiler	Bakery Oven; Charbroiler no integral control; Feed Processing	All others
Fuel Handling and Storage	Bulk Loading/Unloading <50,000 gpd; Fuel Oil; LPG; Spill Sump Tank; Waste Oil; Railcar unloading to Truck; Tank with no controls	Aircraft Fueling; Bulk Loading/Unloading Rack 50,000 to <200,000 gpd; Fuel Gas Mixer; Hydrant Fueling; Natural Gas Odorizer; Toxics or Hazardous Storage Tank; Fixed Roof Tank; Tank with control system; LPG Tank with Vaporizing System; LPG Tank Truck Loading; LPG Treatment	Bulk Loading/Unloading Rack 200,000+ gpd; Gasoline Blending Plant; All others

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Incinerators		Crematory	All others
Sewage, Stormwater, Wastewater and Water Treatment	<10,000 gpd; Fluid Elimination; Landfill Condensate/Leachate Collection/Storage	10,000 to <50,000 gpd; Up to 5 million gpd sewage treatment; Aeration; Groundwater treatment; Landfill Gas Collection; Sewage sludge composting; Sludge Handling	All others
Storage, Non-Fuel	Asphalt <50,000 gal; Baker-Type; Dry Material; Sump Tank; Tank with control; Tank with sparging	Aqueous Ammonia; Asphalt 50,000+ gal; Catalyst	
<i>Air Pollution Control Devices</i>			
Afterburner	Non-catalytic; no more than one MMBtu per hour (supplemental fuel); single source	All others (including boilers and incinerators)	
Biofilter	No more than 100 cfm	All others	
Carbon Absorber/Adsorber	single source no toxics	All others (non-regenerating)	All others
Catalytic Reduction	Non-selective	Selective	
Dust Control including Baghouses and Cyclones	No more than 500 ft ² of filter area; all cyclones and settling chambers; All negative air machines	More than 500 ft ² of filter area; Any size hot baghouse (special filter material)	
Electrostatic Precipitators (ESP)	Less than 3000 cfm or any extruder or any restaurant	All others	
Flares	Portable	All others	Enclosed landfill/digester gas
Scrubbers and/or Mist Control including Sparging	No toxics, NO _x or SO _x control and single source and single stage; or for acid or any restaurant or any sparger	All others, including Ultraviolet Oxidation	

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Sterilizers	Hospital ethylene oxide	All others	
Vapor Control		All	
<i>Fuel Burning Equipment (Not Cogeneration or Generating Electricity Equipment Other Than Emergency Equipment)</i>			
Autoclaves; Chillers; Distiller; Dryers, Furnaces, Heaters, Kilns, Ovens, Roasters, Stills	<5 MMBtu/hr; Glass Furnace less than one tpd pull; Laundry; Metal Recovery; Non-Organics Dryer; Non-Toxics Evaporator; Pavement Heater	5 to <50 MMBtu/hr; Arc; Burn-Off; Catalyzed Metal Recovery; Chip Dryer; Cupola; Curing Oven with toxics/hazardous; Electric; Evaporator (Toxics); Frit; Galvanizing; Glass Furnace one to <50 tpd pull; Organics Dryer; Pot/Crucible; Natural Gas Kiln; Reverbatory	All others
Boilers	<5 MMBtu/hr	5 to <50 MMBtu/hr; Up to 10 MMBtu landfill or digester gas	All others
Turbines	<0.3 MW(e) Emergency	0.3+ MW(e) Emergency; <50 MW(e) not on Landfill or Digester Gas	All others
Cogeneration and Electrical Generating Equipment (including Duct Burners) Equipment under this category shall be assessed a permit renewal fee calculated based on design maximum fuel consumption of the equipment expressed in British thermal units per hour, using gross heating value (See (E)(1)(c))			
Nozzles (Rule 461) Permits subject to District Rule 461 shall be assessed a single permit renewal fee calculated as follows: the number of fuel dispensing nozzles multiplied by the number of products dispensed through each nozzle at the facility.			
Reciprocating Internal Combustion Engines Equipment under this category shall be assessed a permit renewal fee based on the nameplate bhp of the engine with the exception of those engines designated as “Emergency” engines pursuant to 1110.2 which shall be assessed as Classification D. (See (E)(1)(c)).			

APPENDIX "B"
PUBLIC NOTICE DOCUMENTS

1. Draft Notice of Public Hearing – Antelope Valley Press 06/16/2023

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NOTICE OF HEARING

NOTICE IS HEARBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on July 18, 2023 at 10:00 A.M. to consider the proposed amendment to Rule 301 – *Permit Fees*.

Overall increases in operating expenses require adjustments in permit fees. The AVAQMD is proposing an 8% fee increase to most fees in Rule 301 – *Permit Fees* to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations. In addition, Rule 301 also includes a 15% increase for classifications D-F as the costs for this type of equipment is not commensurate with the fee revenue received.

To allow time to implement the proposed fee change for Rule 301 – *Permit Fees* in the computerized billing system, this amendment is proposed to be effective on January 1, 2024.

SAID HEARING will be conducted in the Governing Board Chambers at Antelope Valley Transit Authority located at 42210 6th Street West, Lancaster, CA 93534 where all interested persons may be present and be heard.

Copies of the proposed amendment to Rule 301 – *Permit Fees*, as well as the Staff Report are posted on the AVAQMD website at www.avaqmd.ca.gov and are also available at the AVAQMD Office at 2551 W Avenue H, Lancaster, CA 93536. Written comments may be submitted to Bret Banks, Executive Director, at the above office address, and should be received no later than July 17, 2023 to be considered. If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at blods@avaqmd.ca.gov for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a *Notice of Exemption* for this action.

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APPENDIX "C"
PUBLIC COMMENTS AND RESPONSES

1. N/A

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APPENDIX "D"
CALIFORNIA ENVIRONMENTAL QUALITY ACT
DOCUMENTATION

1. Notice of Exemption (Draft) – Los Angeles County

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NOTICE OF EXEMPTION

TO: Los Angeles County Clerk
12400 E. Imperial Hwy, #1001
Norwalk, CA 90650

FROM: Antelope Valley Air Quality Management District
2551 W Avenue H
Lancaster, CA 93536

PROJECT TITLE: Amendment of AVAQMD Rule 301 – *Permit Fees*

PROJECT LOCATION – SPECIFIC: Los Angeles County portion of the Mojave Desert Air Basin.

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: Overall increases in operating expenses require adjustments in permit fees. The AVAQMD is proposing an 8% fee increase to most fees in Rule 301 – *Permit Fees* to recover the rising costs of issuing air quality permits, performing inspections, investigations, and enforcing District rules and regulations.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Antelope Valley AQMD

EXEMPT STATUS (CHECK ONE)

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed amendments to Rule 301 – *Permit Fees* are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Barbara Lods_____ **PHONE:** (661) 723-8070 ext 23

SIGNATURE: _____

TITLE: Executive Director **DATE:** July 18, 2023

DATE RECEIVED FOR FILING:

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APPENDIX "E" BIBLIOGRAPHY

The following documents were consulted in the preparation of this staff report and the proposed amendments to Rule 301 – *Permit Fees*:

1. AVAQMD Proposed Budget for Fiscal Year 2023-2024

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(Adopted: 02/04/77; Amended: 05/27/77; Amended: 01/06/78; Amended: 06/16/78; Amended: 04/04/80; Amended: 09/05/80; Amended: 06/05/81; Amended: 09/09/82; Amended: 12/03/82; Amended: 06/03/83; Amended: 05/04/84; Amended: 07/06/84; Amended: 11/02/84; Amended: 12/06/85; Amended: 05/01/87; Amended: 06/03/88; Amended: 12/02/88; Amended: 01/06/89; Amended: 06/02/89; Amended: 06/01/90; Amended: 06/07/91; Amended: 12/06/91; Amended: 06/05/92; Amended: 07/10/92; Amended: 06/11/93; Amended: 10/08/93; Amended: 06/10/94; Amended: 05/12/95; Amended: 10/13/95; Amended: 05/10/96; Amended: 05/09/97; Amended: 03/17/98; Amended: 11/15/05 effective 01/01/06 amended 09/18/07 effective 01/01/08; Amended 06/17/08 effective 01/01/09; Amended 06/15/10 effective 01/01/11; Amended: 06/19/12; effective 01/01/13; Amended 06/18/13; effective 01/01/14; Amended: 07/15/14 effective 01/01/15; Amended: 07/21/15 effective 01/01/16; Amended 07/19/16 effective 01/01/17; Amended 07/18/17, effective 01/01/18; Amended 07/17/18, effective 01/01/19; Amended 07/16/19, effective 01/01/2020; Amended 08/18/2020, effective 01/01/2021; Amended 07/20/2021, effective 1/01/2022; Amended 07/19/2022, effective 01/01/2023 Amended 07/18/2023, effective 01/01/2024

RULE 301 PERMIT FEES

(A) General

(1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II – *Permits*, and Regulation XIII – *New Source Review*.

(2) Applicability

- (a) This rule applies to:

- (i) Any person subject to the provisions of Regulation II – *Permits*, Regulation XIII – *New Source Review*, or Regulation XVII – *Prevention of Significant Deterioration*.

- (ii) Any governmental entity.

- a. Federal, State or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300).

- (iii) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)*.

- a. Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.

(3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Health and Safety Code Sections 42311, 42311.2 and 42311.5.

- (4) Effective Date
 - (a) The amendments to this rule adopted on 07/18/2023 shall be effective on 01/01/2024.

(B) Definitions

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

- (1) “Alteration Or Modification” – Any physical change, change in method of operation of, or addition to, an existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
 - (a) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
 - (b) An increase in the hours of operation.
- (2) “Cancellation” (or Cancel) – An administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (3) “Emission Reduction Credit” (ERC) – The amount of emissions reduction which is verified and determined by the APCO to be eligible for credit in an emissions reduction bank pursuant to District Rule 1309.
- (4) “Equipment” – Any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
 - (a) Requires a permit pursuant to Rules 201 and/or 203; or
 - (b) Is in operation pursuant to the provisions of Rule 219.
- (5) “Expiration” – The end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (6) “Facility” – Any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control). Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility.
- (7) “Stationary Source” (or Source) – Any article, machine, equipment, contrivance or combination thereof which emits or has the potential to emit any regulated air pollutant and is required to have a permit pursuant to the provisions of District Rules 201, 202 and 203.

- (8) “Temporary Permit to Operate” – An interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to District Rule 202.

(C) Requirements and Procedures

- (1) Fees, as specified herein, are required for the following activities:
- (a) Filing of a permit application.
 - (b) Evaluation of new or modified equipment and/or Facilities that may cause air pollution or equipment intended to control air pollution.
 - (c) Issuance of authority to construct(s).
 - (d) Issuance of permit(s) to operate.
 - (e) Annual permit to operate renewal.
 - (f) Annual authority to construct renewal.
 - (g) Change of location or ownership of a permit.
 - (h) Alteration, modification, addition or revisions to equipment.
 - (i) Permit granted or denied by Hearing Board.
 - (j) Issuance of signed duplicate or corrected permit.
 - (k) Issuance of permit(s) for previously unpermitted or altered equipment.
 - (l) Filing of application for issuance or modification of ERCs pursuant to District Rule 1309.
 - (m) Reinstatement of a delinquent permit.
 - (n) Any fees applicable to equipment located at a facility subject to Regulation XXX – *Federal Operating Permits (Title V)*.
 - (i) Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.
- (2) Fees shall be paid when due as specified herein.
- (a) Application and Duplicate Permit Fees
 - (i) Application filing fees required pursuant to Section (D)(1) shall be submitted in conjunction with the application.

(ii) Fees for signed duplicate or corrected permit fees required pursuant to Section (D)(9) shall be submitted in conjunction with the request for the duplicate or corrected permit.

(b) Project Evaluation Fees for Complex Sources.

(i) Project evaluation fees for complex sources required pursuant to Section (D)(2) shall be submitted not later than thirty (30) days of written notification to the applicant that the application is subject to this fee.

(ii) If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.

(c) Initial and Annual Permit fees.

(i) Permit fees shall be invoiced as follows:

a. At least thirty (30) days before the expiration date as shown on the permit; or

b. In the case of an initial permit fee thirty (30) days after issuance of the permit or the due date on the invoice produced after issuance of the permit, whichever is later.

(ii) The permit owner/operator or applicant will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.

(iii) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date of the invoice or expiration date on the permit, whichever occurs first, and shall no longer be valid.

(iv) If the applicable fees remain unpaid, within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever occurs first, the owner/operator or applicant shall be notified in writing by first class mail, postage prepaid:

a. That the permit has become delinquent for non-payment of fees and is no longer valid; and

b. The consequences of continuing to construct or operate with an invalid permit.

(v) If, after notification, the permit remains delinquent for more than three (3) months, the permit shall become inactive in the District's records.

(3) Reinstatement of Permits

(a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with section 42400).

- (4) Inactive Permits
 - (a) A permit which has become inactive is null and void. The equipment which was the subject of the inactive permit may be permitted again by the District so long as the owner/operator submits a new permit application. Such new permit application will be processed as if the equipment was an entirely new unit requiring a permit.
- (5) Refunds
 - (a) No claim for refund for any fee required by this rule shall be honored unless:
 - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
 - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
 - (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
 - (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
 - (d) The application filing fee set forth in section (D)(1) is non-refundable.
- (6) Pro-rated fees
 - (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
 - (i) Initial Permit Fee;
 - (ii) Annual Permit to Operate Renewal Fee;
 - (iii) Permit to Construct Renewal Fee;
 - (iv) Alteration, Modification, Addition or Revision Fees.
 - (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
 - (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.
- (7) Service Charge for Returned Checks
 - (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(8) Credit Card Payments

- (a) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.

(D) Fees

(1) Application Filing Fee

- (a) Any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$654.00, except for:
- (i) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall be assessed a fee of \$1,089.00.
 - (b) The application filing fee is non-refundable and shall not be applied to any subsequent application.
 - (c) Applications shall not be accepted unless they are accompanied by the application filing fee.

(2) Project Evaluation Fee for Complex Sources

- (a) Any person who submits an application which is related to projects to construct or modify any of the following, shall be assessed a project evaluation fee for complex sources.
- (i) Equipment associated with landfills;
 - (ii) Equipment associated with resource recovery projects;
 - (iii) Equipment associated with energy cogeneration projects;
 - (iv) Equipment associated with electrical power plants;
 - (v) Other permit units subject to the provisions of District Rule 1303(B);
 - (vi) Emissions of hazardous and toxic material requiring a Health Risk Assessment pursuant to District Rule 1401(E)(3) or a Case-By-Case MACT determination pursuant to District Rule 1401(F)(2) and/or waste disposal or treatment facilities;
 - (vii) Any facility requiring a permit under Regulation XVII – *Prevention of Significant Deterioration*; and
 - (viii) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these Rules or Regulations would require over two (2) hours of staff time to complete.
- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within 30 days of written notification by the District that the application is subject to this fee.

- (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
 - (i) This fee shall be calculated at a labor rate of \$173.00 per hour plus actual expenses.
 - (ii) The fee shall accrue and be applied against the deposit.
 - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
 - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
 - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
 - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.
- (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
- (e) Actual expenses of the District include project notice fees which are incurred on behalf of project public notices.
- (f) The provisions of Section (C)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.

(3) Initial Permit Fee

- (a) Except as otherwise provided in this Rule, any person who applies for a new or modified permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth in section (E)(1).
 - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate initial permit fee. Such alternate initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.

- (b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.
 - (i) Notice may be given by personal service or by mail, postage prepaid.

- (4) Annual Permit to Operate Renewal Fee
 - (a) Permits to operate shall be annually renewable, upon payment of fees.
 - (b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
 - (c) The annual permit to operate renewal fee shall be invoiced as specified in Section (C)(2)(c) above.

- (5) Permit to Construct Renewal Fee
 - (a) Authorities to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.
 - (b) The authority to construct renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
 - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.
 - (c) Authorities to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension of time pursuant to the provisions of District Rule 205 has been granted by the APCO.
 - (d) The authority to construct renewal fee shall be invoiced as specified in Section (C)(2)(c) above.
 - (e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (C)(2).

(6) Change of Location or Ownership Fees

- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
 - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
 - (ii) The person will be notified by mail, postage prepaid, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
 - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
- (b) Permits, pursuant to the provisions of District Rule 209, are only valid as to the person named on the permit.
 - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$381.00 for each permit being transferred from one person to another.
 - (ii) The filing fee set forth in Section (D)(1) are waived for applications solely requesting a change of ownership
 - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.
- (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(7) whichever is greater.

(7) Alteration, Modification, Addition or Revision Fees

- (a) Any person who applies for a permit requesting alterations, modifications, additions, or revisions of the permit resulting from a change to equipment included on a currently valid permit shall be assessed an application filing fee pursuant to Section (D)(1) and a permit revision fee.
- (b) The permit revision fee shall be calculated as follows:
 - (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous years annual permit to operate renewal fee pro-rated for the period between the date of issuance for the permit containing the alteration addition or revisions and the original permit(s) expiration date.
- (c) The permit revision fee shall be invoiced as set forth in Section (C)(2)(c)(i).

- (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(6) whichever is greater.
- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
- (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this Rule.
 - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
 - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
- (a) A request for a signed duplicate permit or for administrative corrections to a permit shall be made in writing by the permit holder.
 - (b) The permit holder may be assessed a fee of \$190.00 for issuing each signed duplicate or corrected permit.
 - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.
- (10) Previously Unpermitted or Altered Equipment Fee.
- (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to construct in accordance with Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.
 - (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.
 - (c) The unpermitted equipment fee is due when the permit to operate is granted.
 - (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
 - (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in Rule 219.

- (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.

(11) Fees for Issuance of Emission Reduction Credits

- (a) Any person submitting an application for Emission Reduction Credits pursuant to District Rule 1309 shall pay the following fees:
 - (i) An initial application fee of \$1,133.00 for each application submitted.
 - (ii) An analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours labor billed at the rate of \$173.00 per hour.
 - (iii) The actual cost of publication of notice if such is required pursuant to District Rule 1309.
- (b) Any person submitting a document effecting an encumbrance or transfer of Emission Reduction Credits pursuant to District Rule 1309 shall pay a fee of \$173.00 for each document submitted.

(12) Reinstatement Fee for a Delinquent Permit

- (a) Any person who applies for delinquent permit reinstatement pursuant to the provisions of subsection (C)(3)(a) shall be assessed a fee equal to the amount of all outstanding fees, fines and penalties for the particular unit that is the subject of the permit and an initial permit fee for that unit for the current year.

(E) Schedules for Fees

- (1) Initial Permit and Annual Permit to Operate Renewal and Authority to Construct Renewal Fees.
- (a) Any Equipment or Process subject to the provisions of this rule shall be assigned a fee classification based upon the equipment and/or process type as set forth in Table 1 of this rule.
 - (b) Any Equipment or Process subject to the provisions of this rule which is not otherwise listed in Table 1 of this rule shall be assigned fee classification B.
 - (c) All applicable fees shall be assessed pursuant to the fee classifications listed in Table 1 according to the following schedule:

Equipment/Process Classification	Fee Amount
Classification A	\$631.08
Classification B	\$2,260.18
Classification C	\$5,421.87
Classification D – Reciprocating Internal Combustion Engines rated 50 bhp to 499 bhp and All Emergency Engines	\$702.52
Classification E - Reciprocating Internal Combustion Engines rated 500 bhp to 749 bhp.	\$1,444.85
Classification F - Reciprocating Internal Combustion Engines rated 750 bhp or greater	\$2,640.68
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$7,514.19 plus \$180.31 per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$20,860.53 plus \$45.72 per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$68.28 per product/per nozzle

[SIP: Not SIP.]

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Basic Process Systems including ancillary equipment	Any Abrasive Blasting; Anodizing; Blending; Chemical (no toxics, hazardous) Milling; Cooling Tower; Any Degreaser; Deposition Ceramics; Dry Cleaning; Etching; Film Cleaner; Grinder; Ink Mfg; Laundry; Liquid Container Filling; Packaging; Polystyrene Extrusion; Polyurethane Mfg; Refrigerant Handling and/or Processing; Smoke Generator; Soldering; Stripping; Vacuum Metallurg	Adhesives; Air Stripper; Ammonia Process; Asphalt Process; Auto Body Shredding; Battery Charging/Mfg; Chemical (toxics, hazardous) Milling; Degreaser; Plastic/Resins Handling; Soil Vapor Extraction; Vacuum Generator; Any process not otherwise listed under any category	Landfill Gas Treatment; Liquid Hazardous Waste Processing; LPG Distiller
<i>Other Processes</i>			
Bulk and Crustal Material Handling	Aggregate Conveying, Loading and/or Unloading; Bulk Chemical Terminal; Green Waste Screening; Paper Conveying; Weigh Station	Aggregate Production; Concrete Batch Plant; Concrete/Asphalt Crushing; Other Conveying; Loading/unloading; Other Screening; Soil Treatment	All others including Asphalt Batch Plant
Coating including Printing and Coating Within Spray Booths	Asphalt/Tar Pot; Asphaltic; Can/Coil; Any Dip Tank; Fabric; Film; Flow; Paper; Printing Press, IR/UV Over, Air Dry or Screen; Roller; Spray; Stereolithography; Striping; Tablet	Asphalt Saturator; Printing Press Other; Spraying Resin/Gel Coat; Wood	
Feed/Food Preparation and Handling	Charbroiler with integral control; Feed Handling; Restaurant Charbroiler	Bakery Oven; Charbroiler no integral control; Feed Processing	All others
Fuel Handling and Storage	Bulk Loading/Unloading <50,000 gpd; Fuel Oil; LPG; Spill Sump Tank; Waste Oil; Railcar unloading to Truck; Tank with no controls	Aircraft Fueling; Bulk Loading/Unloading Rack 50,000 to <200,000 gpd; Fuel Gas Mixer; Hydrant Fueling; Natural Gas Odorizer; Toxics or Hazardous Storage Tank; Fixed Roof Tank; Tank with control system; LPG Tank with Vaporizing System; LPG Tank Truck Loading; LPG Treatment	Bulk Loading/Unloading Rack 200,000+ gpd; Gasoline Blending Plant; All others

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Incinerators		Crematory	All others
Sewage, Stormwater, Wastewater and Water Treatment	<10,000 gpd; Fluid Elimination; Landfill Condensate/Leachate Collection/Storage	10,000 to <50,000 gpd; Up to 5 million gpd sewage treatment; Aeration; Groundwater treatment; Landfill Gas Collection; Sewage sludge composting; Sludge Handling	All others
Storage, Non-Fuel	Asphalt <50,000 gal; Baker-Type; Dry Material; Sump Tank; Tank with control; Tank with sparging	Aqueous Ammonia; Asphalt 50,000+ gal; Catalyst	
<u>Air Pollution Control Devices</u>			
Afterburner	Non-catalytic; no more than one MMBtu per hour (supplemental fuel); single source	All others (including boilers and incinerators)	
Biofilter	No more than 100 cfm	All others	
Carbon Absorber/Adsorber	single source no toxics	All others (non-regenerating)	All others
Catalytic Reduction	Non-selective	Selective	
Dust Control including Baghouses and Cyclones	No more than 500 ft ² of filter area; all cyclones and settling chambers; All negative air machines	More than 500 ft ² of filter area; Any size hot baghouse (special filter material)	
Electrostatic Precipitators (ESP)	Less than 3000 cfm or any extruder or any restaurant	All others	
Flares	Portable	All others	Enclosed landfill/digester gas
Scrubbers and/or Mist Control including Sparging	No toxics, NO _x or SO _x control and single source and single stage; or for acid or any restaurant or any sparger	All others, including Ultraviolet Oxidation	

**Table 1
Equipment/Process Classifications**

Equipment	Classification A	Classification B	Classification C
Sterilizers	Hospital ethylene oxide	All others	
Vapor Control		All	
<i>Fuel Burning Equipment (Not Cogeneration or Generating Electricity Equipment Other Than Emergency Equipment)</i>			
Autoclaves; Chillers; Distiller; Dryers, Furnaces, Heaters, Kilns, Ovens, Roasters, Stills	<5 MMBtu/hr; Glass Furnace less than one tpd pull; Laundry; Metal Recovery; Non-Organics Dryer; Non-Toxics Evaporator; Pavement Heater	5 to <50 MMBtu/hr; Arc; Burn-Off; Catalyzed Metal Recovery; Chip Dryer; Cupola; Curing Oven with toxics/hazardous; Electric; Evaporator (Toxics); Frit; Galvanizing; Glass Furnace one to <50 tpd pull; Organics Dryer; Pot/Crucible; Natural Gas Kiln; Reveratory	All others
Boilers	<5 MMBtu/hr	5 to <50 MMBtu/hr; Up to 10 MMBtu landfill or digester gas	All others
Turbines	<0.3 MW(e) Emergency	0.3+ MW(e) Emergency; <50 MW(e) not on Landfill or Digester Gas	All others
Cogeneration and Electrical Generating Equipment (including Duct Burners)			
Equipment under this category shall be assessed a permit renewal fee calculated based on design maximum fuel consumption of the equipment expressed in British thermal units per hour, using gross heating value (See (E)(1)(c))			
Nozzles (Rule 461)			
Permits subject to District Rule 461 shall be assessed a single permit renewal fee calculated as follows: the number of fuel dispensing nozzles multiplied by the number of products dispensed through each nozzle at the facility.			
Reciprocating Internal Combustion Engines			
Equipment under this category shall be assessed a permit renewal fee based on the nameplate bhp of the engine with the exception of those engines designated as "Emergency" engines pursuant to 1110.2 which shall be assessed as Classification D. (See (E)(1)(c)).			